

Ref. No. AAVAS/SEC/2026-27/3105

Date: August 24, 2026

To, The National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Mumbai – 400051	To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
Scrip Symbol: AAVAS	Scrip Code: 541988

Dear Sir /Madam,

Sub: Notice of the 16th Annual General Meeting of the Company and Annual Report for the Financial Year 2025-26.

This is to inform you that 16th Annual General Meeting ("AGM") of the Members of the Company will be held on Wednesday, September 16, 2026 at 03:00 P.M. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the businesses as listed in the Notice of AGM.

Pursuant to Regulation 29, 34, 50 and 53 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice convening 16th AGM and Annual Report for the Financial Year 2025-26.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and SEBI, the Notice of 16th AGM and Annual Report for the Financial Year 2025-26 have been dispatched electronically to those Members whose email addresses are registered with the Company /MUFG Intime India Private Limited (RTA)/Depositories on Monday, August 24, 2026. Further, in accordance with the Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has dispatched a letter to the Members whose e-mail addresses are not registered with the Company/ MUFG Intime India Private Limited (RTA)/ Depository Participant(s), providing a web-link and exact path from where the Annual Report can be accessed on the website of the Company.

The Notice of 16th AGM and Annual Report for the Financial Year 2025-26 will also be made available on the website of the Company and can be accessed at <https://www.aavas.in/investor-relations/annual-reports>.

You are requested to take the same in your record and disseminate the same on your website.

Thanking You,

For AAVAS FINANCIERS LIMITED

SAURABH SHARMA
Digitally signed by
SAURABH SHARMA
Date: 2026.08.24
16:26:56 +05'30'

**SAURABH SHARMA
COMPANY SECRETARY & COMPLIANCE OFFICER
(ACS-60350)**

Encl: As above

PEOPLE PERFORMANCE PERSEVERANCE



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Pillar 1 - Stakeholder Value
and Strong Governance

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Brand Trust

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Risk Discipline

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Pillar 4 - The Profitable
Growth Engine

FORWARD-LOOKING STATEMENTS

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

Built by people. Proven by performance. Protected by perseverance.

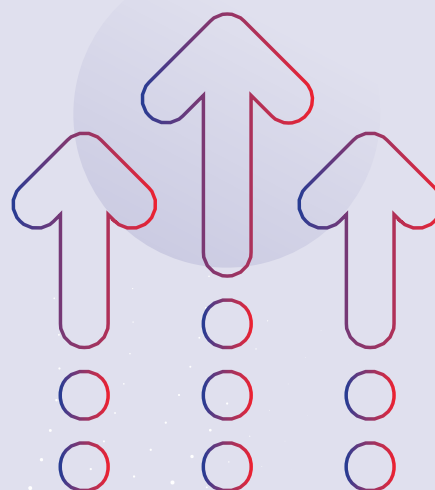
At Aavas, growth has never been only about scale. It has been about the way scale is built.

It is built through people who understand the customer beyond documents and income proofs. It is built through performance that is measured not only in growth, but also in trust, reach, asset quality and profitability. And it is protected through perseverance – the discipline to do the right things consistently, especially when the easier path may appear faster.

That is the essence of

**‘People.
Performance.
Perseverance.’**

These three words are more than the theme of this Annual Report. They are the foundation of the Aavas way. They represent the human effort, operating rigour, and institutional discipline that have gone into building a franchise of quality and resilience.



For Aavas



People are the heart of the business. Every loan begins with a conversation, a home visit, a field assessment, and a relationship of trust. Our people bring local market understanding, empathy and judgement to customers, whose aspirations are strong even when their income may not fit conventional templates.



Performance is the outcome of this discipline. It is reflected in growth with quality, profitability with prudence, reach with responsibility, and asset quality that remains among the best in the industry. It is visible in every branch that becomes stronger, every customer served better, and every market where we deepen our presence with care.



Perseverance is what holds it all together. It is the quiet discipline of underwriting with rigour, collecting with empathy, expanding with caution, and staying committed to fundamentals across cycles. It is what allows us to grow without losing sight of the trust placed in us.

FY 2025-26 reaffirmed a simple conviction: scale matters only when it is built to last.

In a year marked by shifting rate cycles, rising competition in affordable housing finance, and an environment that continued to test the resilience of our borrowers, Aavas chose the path of responsible growth. We went deeper into Tier 2 and Tier 3 markets, stayed anchored to credit discipline, strengthened our fundamentals, and continued to serve customers for whom home ownership remains one of life's most meaningful aspirations.

This year's theme is therefore not a slogan laid over a balance sheet. It is the story behind the balance sheet.

It is the story of the 7,500+ Aavas family showing up every day across 435 branches. It is the story of field teams travelling deeper into local

markets, credit teams assessing with care, collection teams engaging with empathy, and technology teams building systems that support human judgement rather than replace it.

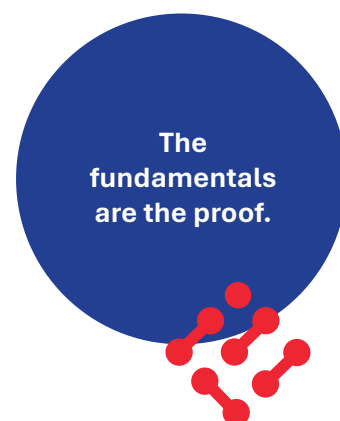
The numbers in the pages that follow tell a clear story: stronger fundamentals, healthier returns, improving execution, a resilient liability franchise, and a brand that continues to earn trust in India's housing journey.

As we enter our next chapter, strengthened by our partnership with CVC Capital Partners and supported by a sharper technology backbone, our compass remains unchanged: prudent underwriting, disciplined risk management, operating efficiency, and a customer-first approach.

We will continue to grow. But more importantly, we will continue to grow responsibly.

Because at Aavas, '**People give us our purpose. Performance gives us momentum. Perseverance gives us strength.**'

Together, they define the Aavas way.



CORPORATE INTRODUCTION AND EVOLUTION

Building Bharat's one of the Most Admired, Trusted Affordable Housing Finance Franchise

Established in 2011, Aavas Financiers Limited is a leading affordable housing finance company with over a decade of experience in serving India's unserved, underserved, and unreached communities. The Company provides housing loans primarily to customers in rural and semi-urban markets, helping transform their aspiration of home ownership into reality.

Aavas offers affordable, accessible, and responsible housing finance solutions to economically weaker and low-to-middle-income customer segments, many of whom have limited access to traditional financial services. By combining local market understanding, disciplined underwriting and customer-centric processes, Aavas aims to bring more people into the formal financial mainstream and create a lasting social impact across Bharat.

EVOLUTION FROM AAVAS 1.0 TO AAVAS 3.0

Since its inception, Aavas has evolved through distinct phases of growth, transformation, and institutional strengthening.

The journey began in 2011 with the establishment of AU Housing Finance Private Limited, a subsidiary of AU Financiers India Limited, now AU Small Finance Bank. This first phase, referred to as Aavas 1.0, was focussed on establishing the proof of concept for a specialised affordable housing finance model serving the assessed-income customer segment.

In 2017, the Company entered its next phase, Aavas 2.0, with its transition into Aavas Financiers Limited. The Company subsequently went public in 2018. During this period, Aavas evolved into a standalone, professionally managed institution, backed by Kedaara Capital and Partners Group, with an experienced Board and a strong governance framework. This phase helped the Company scale its operations, strengthen its systems, and deepen its presence across key affordable housing markets.

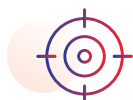
In 2023, Aavas entered the next phase of its journey – Aavas 3.0 – with a clear ambition to become India's most trusted affordable housing finance company. This phase is anchored in the strength of people, processes and technology, with a sharper focus on sustainable growth, operating efficiency, risk discipline and customer experience.

In 2025, Aavas welcomed CVC Capital Partners as its new promoter, further strengthening its ownership base and long-term governance foundation. Backed by strategic investments in core technology platforms, analytics, digital journeys and process excellence, Aavas is ready to deliver sustainable and risk-disciplined growth, elevate customer experience, and deepen the Company's contribution to financial inclusion across Bharat.



Our Vision

Enriching lives of people by enabling them to achieve their dream of owning a home: 'Sapne Aapke, Saath Hamaara'.



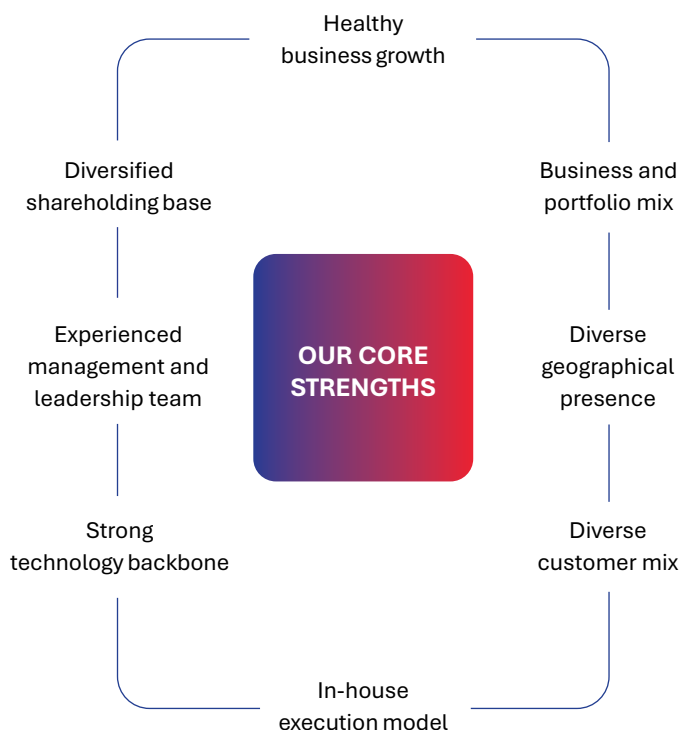
Our Mission

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



Our Values

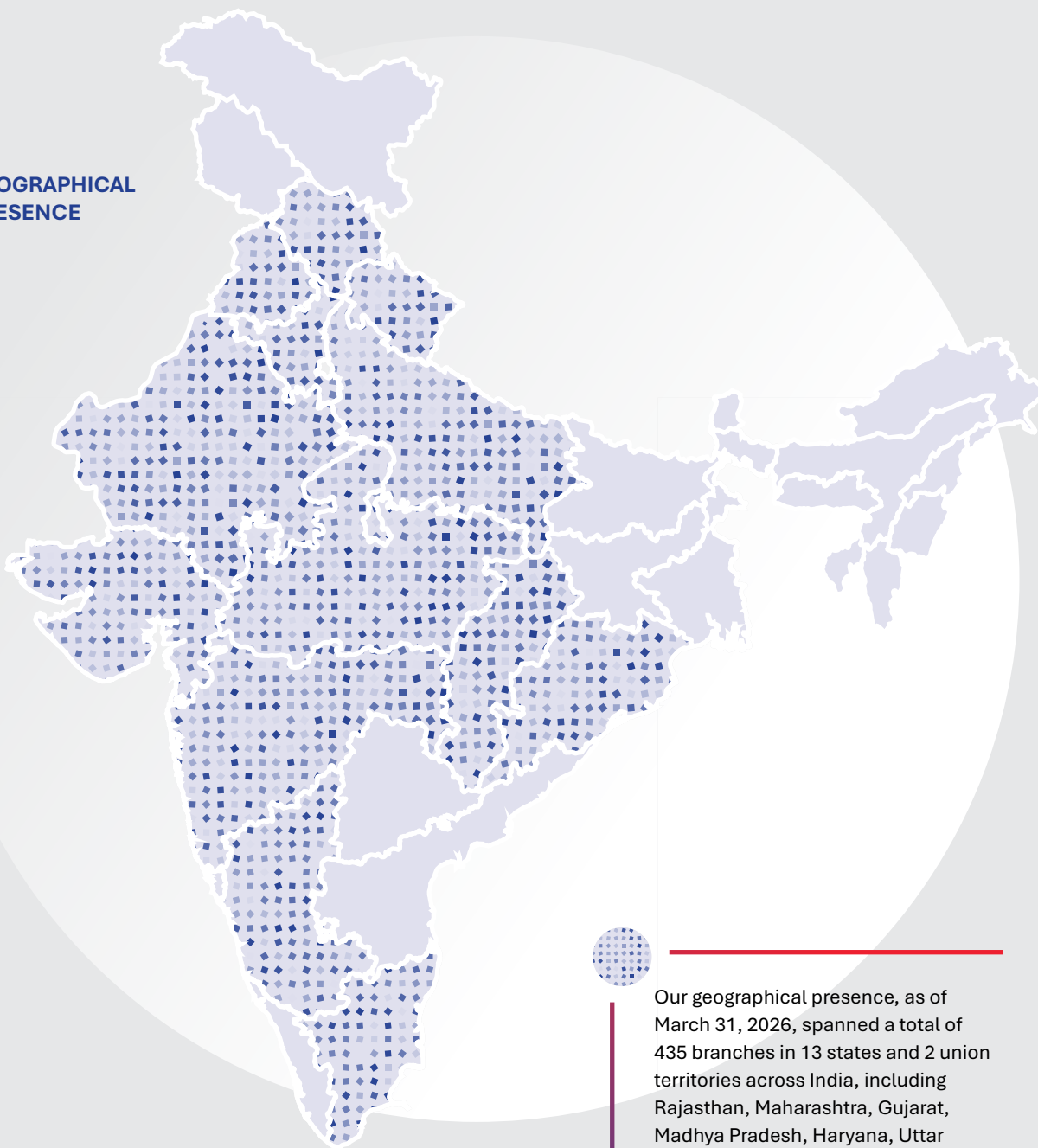
- Create customer delight with focus on ease and speed
- Blend traditional ethics with modern outlook to create an environment of trust and transparency
- Be responsive, professional and ethical in our approach towards customers
- Nurture employees to perform passionately with a sense of ownership



OUR PRODUCT OFFERINGS

- Housing loans**
 - Purchase a new home
 - Construction of a house
 - Home improvement and extension
- MSME loans**
- Other mortgage loans**

GEOGRAPHICAL PRESENCE



Map not to scale. For illustration purpose only.

Our geographical presence, as of March 31, 2026, spanned a total of 435 branches in 13 states and 2 union territories across India, including Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh, Delhi, Punjab, Uttarakhand, Himachal Pradesh, Karnataka, Odisha, Tamil Nadu and Chandigarh. We have added net 38 branches during the year.

KEY HIGHLIGHTS OF FY26

₹23,451 crore
AUM

₹6,775 crore
Disbursements

₹5,050 crore
Net Worth

₹2,684 crore
Total Revenue

₹655 crore
PAT (includes OCI)

13.93%
ROE

3.29%
ROA

₹1,579 crore
NIM

₹82.1
EPS

5.20%
Spread

2.70 lakh
Live Customers

1.05%
GNPA

0.68%
NNPA

3.17%
1+DPD

AA/ Positive
Long-term Ratings

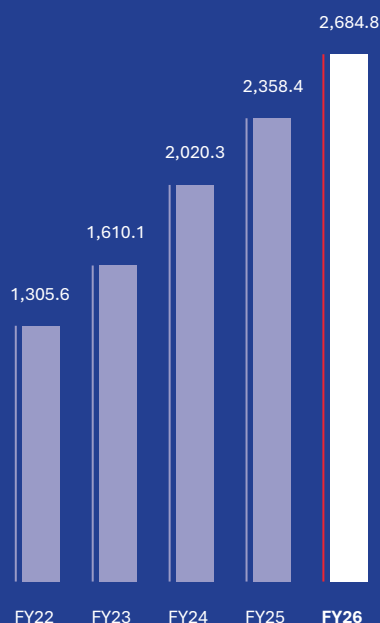
7,649
Permanent
Employees

435
Branches

Key Highlights FY26

Numbers tell their own story. And numbers when mapped to year-on-year metrics tell a bigger story. Our five-year growth trajectory across key performance indicators demonstrates the strength of our people and perseverance, driven by the core capabilities we have developed through the years.

TOTAL REVENUE (₹ crore)



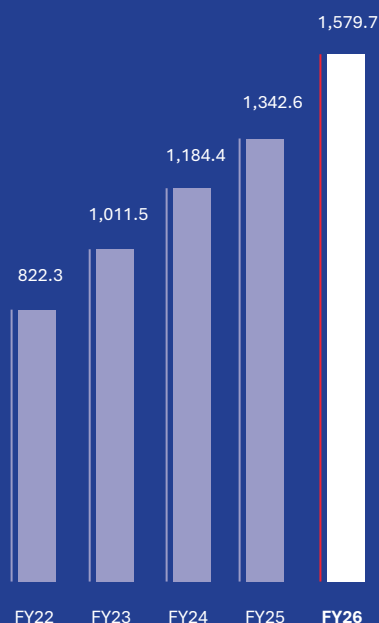
What it means

In the case of housing finance companies, this reflects the revenue earned primarily through interest on loans, fees, and charges.

Result

The Company's revenue grew by 13.8% to ₹2,684.8 crore in FY 2025-26 on the back of a wider customer base and strong customer relationships.

NET TOTAL INCOME (₹ crore)



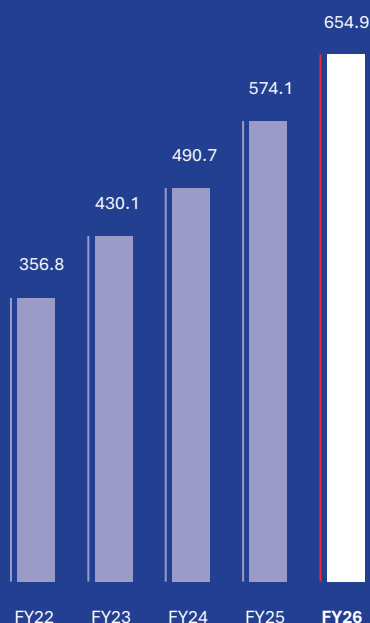
What it means

This implies the surplus of total revenue over the finance cost and ensures sufficiency in funds for the Company to meet operating expenses, driving increase in profitability.

Result

The Company's net total income grew by 17.7% to ₹1,579.7 crore in FY 2025-26.

PROFIT AFTER TAX (₹ crore)



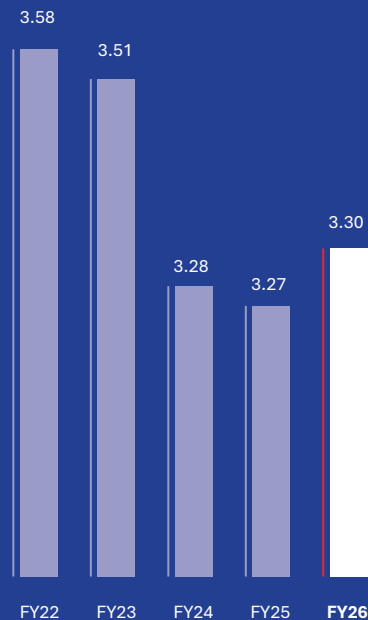
What it means

It demonstrates the performance of a company with respect to its core operations, net of expenses and taxes. It enables adequate availability of profit for the Company's reinvestment and sustained growth.

Result

The Company's net profit grew by 14.2% to ₹654.9 crore in FY 2025-26. The Company has demonstrated a consistent increase in profit after tax.

RETURN ON ASSETS (ROA) (%)



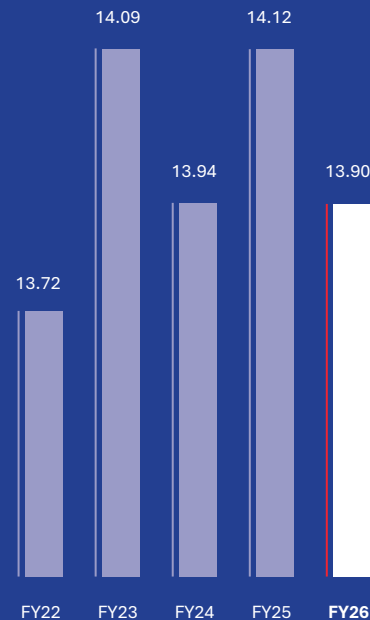
What it means

This is a profitability ratio that measures the efficiency of use of assets by a company to drive profits, with a higher ROA showcasing enhanced asset efficiency.

Result

The ROA stood at 3.3% in FY 2025-26. The Company successfully maintained its RoA above 3%.

RETURN ON EQUITY (ROE) (%)



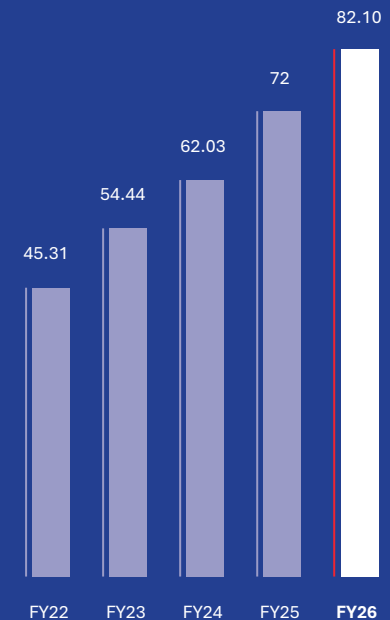
What it means

This is a metric of a company's net profit divided by its Shareholders' equity, and measures profitability and efficiency of generating profits. Higher ROE shows a company's enhanced ability to convert its equity into profits.

Result

The Company's ROE stood at 13.9% in FY 2025-26.

EARNINGS PER SHARE (EPS) (₹ per share)



What it means

EPS is a measure of a company's profitability, with a higher EPS indicating greater profit and value as perceived by investors.

Result

The Company delivered a 14.1% growth in EPS in FY 2025-26.

FROM THE CHAIRPERSON

The Long View



Trust is earned when an institution consistently places the customer at the centre of every decision it makes. Growth, profitability and shareholder value are important outcomes, but they are ultimately consequences – not causes – of doing the right things consistently over long periods of time.

Dear Stakeholders,

It is both an honour and a privilege to write to you as the incoming Chairperson of Aavas Financiers Limited.

Before I speak of the future, I wish to acknowledge the stewardship of my predecessor, Mr. Sandeep Tandon. During his tenure, Aavas navigated an important phase in its evolution – from the transition in promoter shareholding to the reconstitution of a Board equipped to guide the institution through its next chapter. He led with quiet conviction, sound judgement and unwavering integrity. On behalf of the Board, I express our sincere gratitude for his leadership. Aavas is stronger today because of the foundations laid during his stewardship.



A home represents security, dignity and hope. When a customer entrusts Aavas with financing that dream, they are placing immense faith in our institution. Every application is therefore much more than a credit proposal – it represents years of aspiration, sacrifice and careful planning.

Over nearly four decades in Indian banking, I have learned that the most enduring financial institutions are not built merely on capital, technology or market share. They are built on trust.

Trust is earned when an institution consistently places the customer at the centre of every decision it makes. Growth, Profitability and Shareholder value are important outcomes, but they are ultimately consequences – not causes – of doing the right things consistently over long periods of time.

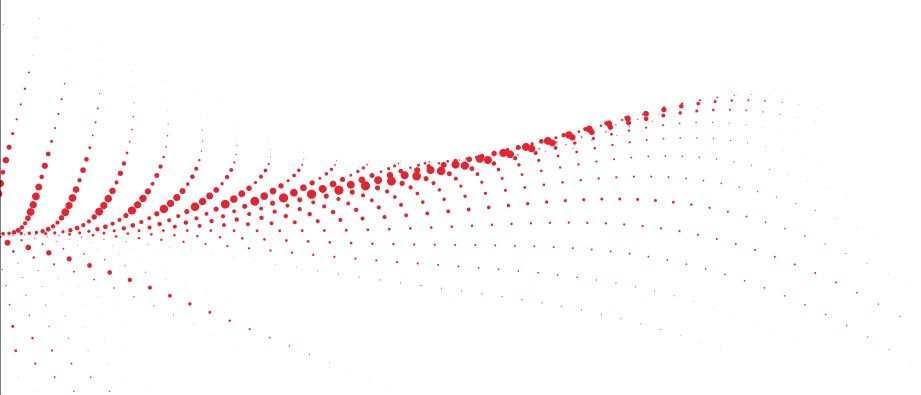
That conviction will shape my stewardship of Aavas.

THE PRIVILEGE OF BEING CHOSEN

The customer who walks into an Aavas branch is often beginning a journey that extends far beyond a housing loan. For many, it is their first meaningful interaction with the formal financial system. They come to us not merely seeking finance, but seeking confidence that someone believes in their aspirations.

A home represents security, dignity and hope. When a customer entrusts Aavas with financing that dream, they are placing immense faith in our institution. Every application is therefore much more than a credit proposal – it represents years of aspiration, sacrifice and careful planning.

The quality of an institution is rarely defined by the loans it sanctions. It is defined by the manner in which it treats every customer, irrespective of the outcome.



RESPECT BEGINS WITH TIME

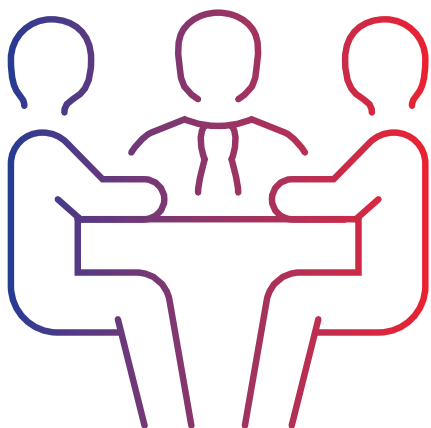
One of the greatest forms of respect we can show our customers is to value their time. Our responsibility is not merely to make sound decisions, but to make them without unnecessary delay.

Promptness and prudence are not opposing objectives. Customers deserve decisions that are timely, thoughtful and responsible. Respect for a customer's time is itself a form of respect for the customer.

DIGNITY MUST NEVER BE CONDITIONAL

Customer-centricity is often spoken about during acquisition. Its true test comes when circumstances become difficult.

At Aavas, we believe our approach to collections should always be firm in outcome and respectful in conduct. Financial discipline and compassion are not contradictory values. When practised together, they reinforce one another and strengthen the trust upon which long-term relationships are built.



At Aavas, we believe our approach to collections should always be firm in outcome and respectful in conduct. Financial discipline and compassion are not contradictory values. When practised together, they reinforce one another and strengthen the trust upon which long-term relationships are built.

TRANSPARENCY CREATES CONFIDENCE

Trust cannot flourish without transparency. The rate quoted must be the rate charged. The fees disclosed must be the fees collected. The tenure promised must be the tenure delivered.

Transparency is not merely a regulatory obligation; it is an expression of institutional integrity.

A TIMELY DECISION IS A RESPECTFUL DECISION

Every customer deserves clarity. A prompt and respectful decision – whether affirmative or otherwise – is always preferable to prolonged uncertainty. Respect sometimes lies not only in the answer we provide, but in the manner and timeliness with which we provide it.

KEEPING OUR WORD

If we commit to a timeline, we should honour it. Institutions are remembered not for isolated transactions but for consistently doing what they said they would do. Trust is built gradually – one commitment honoured after another – and can be diminished by a single broken promise.

CULTURE IS OUR ENDURING ADVANTAGE

Technology will evolve. Products will change. Competition will intensify. What will remain constant is the importance of institutional culture.

Our greatest competitive advantage will never be a product that competitors cannot replicate. It will be a culture they cannot easily imitate.

TECHNOLOGY WITH PURPOSE

We will adopt technology, including artificial intelligence, where it earns its place. My interest here is more focussed than the general enthusiasm around the subject. I want credit decisions that reach the customer faster, fraud and risk analytics sharp enough to catch what a manual review would not, and fewer hours spent by our people on work a machine can do.

Judgement stays with people. A field officer who understands why a borrower's income dipped for two months is doing something no system replicates. The aim is to give that judgement better tools and cleaner information, and to run a leaner and more efficient yet customer friendly institution as a result.

LOOKING AHEAD

The CEO message sets out our operational performance and strategic priorities. Those achievements are important, but they are outcomes.

The true measure of Aavas lies in the confidence of our customers, the integrity of our people and the trust of our shareholders.

A SHARED RESPONSIBILITY

I extend my sincere gratitude to our customers, our Board, our regulators, our lending partners, Promoter and, above all, every Aavasian whose dedication brings our values to life each day.



Buildings are constructed with brick and concrete. Financial institutions are built with capital and technology. But institutions that endure across generations are built upon something far more enduring – trust.

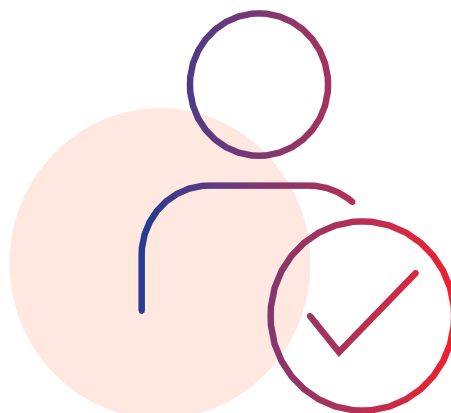
Buildings are constructed with brick and concrete. Financial institutions are built with capital and technology. But institutions that endure across generations are built upon something far more enduring – trust.

That trust is earned one customer at a time, one interaction at a time and one promise kept at a time.

Warm regards,

Vellur Gopalaraghavan Kannan

Chairperson and Independent Director



THE CEO LETTER

People. Performance. Perseverance.



Every institution reaches a point that defines not merely where it has been, but what it chooses to become. Aavas stands at such a point today.

THE PRIVILEGE OF STEWARDSHIP

Dear Stakeholders,

Greetings. Writing to you for the first time as Chief Executive Officer of Aavas Financiers is both a privilege and a responsibility. In my first months I have travelled across our branches, sat with colleagues and customers in towns throughout Bharat, and spent time with our lenders, investors and regulators. One conviction has settled above all others: Aavas is in the business of expanding what a family believes is possible. Behind every file there is a story before there is a number, and behind every property a hope before there is collateral.

‘People. Performance. Perseverance.’



Trust is the rarest of those assets and the only one that grows through restraint. It cannot be raised in capital markets, acquired through a merger, or accelerated with technology.

Institutions like ours are rightly judged by numbers, and we are constantly committed to them. The institutions that endure are distinguished less by their numbers than by the quality of the decisions that produce them. Trust is the rarest of those assets and the only one that grows through restraint. It cannot be raised in capital markets, acquired through a merger, or accelerated with technology. It is earned slowly and compounded through thousands of small decisions no one applauds. For a Company that lends to first-generation borrowers, trust is not our reputation; It is our licence to operate.

This report is built around three words: People, Performance and Perseverance. They are not a theme; they are a philosophy. People remind us why we exist. Performance measures how responsibly we create value. Perseverance ensures that value endures through the cycles of time. I inherit this institution with deep respect for those who built it, and with a plain ambition: Quality at scale is our prime objective.

FINANCING ASPIRATIONS IN INDIA'S HOME OWNERSHIP REVOLUTION

India is living through one of its defining structural shifts: the broad-based democratisation of home ownership. For most families, a home is the first real asset they own. It anchors savings, pulls them into the formal financial system, and gives the next-generation a foundation to build on. Affordable housing sits at the meeting point of economic growth, financial inclusion and human aspiration. For Aavas, it is not simply an attractive market; it is the reason we exist.

The country enters 2026 with advantages few economies hold at once: a young population, rising incomes, rapid urbanisation, capable digital public infrastructure, steady formalisation and a policy environment that treats housing as a national priority. Yet mortgage penetration remains well below most comparable economies, and millions of households sit outside conventional banking, not because they cannot repay but because their income does not fit a standard template. The shopkeeper, the contractor, the transporter: their earnings are seasonal and their paperwork unconventional, yet many carry what no spreadsheet captures well: resilience, discipline and a long record of honouring what they owe. Reading those qualities requires a blend of analytical insight and deep local understanding.

That is the franchise Aavas has built strongly.

In FY26, we extended that reach to 435 branches across 13 states and 2 union territories, adding net 38 branches during the year, concentrated in high-potential markets such as Uttar Pradesh and Gujarat and, for the first time, Tamil Nadu. Our portfolio shows exactly whom we were built to serve: 54% with economically weaker and lower-income households, 61% with self-employed customers, and 83% at ticket sizes below ₹15 lakh. The homes matter as much as the loans: we added more than 300 certified green homes during the year, taking our cumulative base beyond 650.

PEOPLE

There comes a point in every organisation where culture matters more than strategy. Markets change and products commoditise; The institutions that outperform across decades do so because of a superior culture, the thing that decides how people behave when the policy manual has no answer. Travelling across our branches, one observation has been consistent: people at Aavas care, about customers, about doing the right thing, about protecting the institution. That is hard to build, harder to hold as we grow, and among the most valuable advantages a lender can own, because financial services is ultimately a business of judgement, and judgement lives in people.



It cannot sit only in a head office. It must live where customers live, which is why our branch network is far more than distribution. It is our institutional memory: knowledge of neighbourhoods, property markets, builders and repayment culture that over years becomes judgement and over decades becomes advantage. As we deepen into Bharat, our hardest task will not be adding branches; it will be ensuring every new branch carries the values of the first. Scale must never dilute culture. It should amplify it. And leadership is the multiplier: the measure of a leader is not the decisions they make personally but the good decisions others make because of the culture they built.

PERFORMANCE

We do not define performance as growth, nor purely as profitability. We define it as the ability to create sustainable value across cycles while making the institution stronger. In lending, the consequences of today's decisions surface years later; the true quality of a book is revealed when conditions turn, not while they are good. Five principles guide how we allocate capital and attention. Protect the franchise before expanding it, because no opportunity justifies compromising our underwriting. Invest ahead of demand, but never ahead of judgement. Let productivity, not scale alone, create the economics. Keep the balance sheet strong, because strength is freedom. And test every significant decision against one question: will this strengthen the institution over the next decade?

Judged against those principles, FY26 was a year of milestones and disciplined progress. Assets under management grew 15% to ₹23,451 crore, and disbursements rose 11% to ₹6,775 crore, with the fourth quarter showing an uptick in rhythm at ₹2,348 crore, up 16% year on year. Net profit grew 14% to ₹655 crore, supported by stronger net interest income and better margins. Net interest margin expanded 29 basis points year-on-year to 7.93%, return on assets was stable at 3.29%, and return on equity at 13.93%. Our Net worth crossing ₹5,000 crore mark, our balance sheet crossing the ₹20,000 crore, our lifetime disbursements crossing ₹40,000 crore mark; and our rating outlook was upgraded to positive by both ICRA and CARE. We remain well capitalised with a Capital Adequacy Ratio at 44.6%, well above regulatory requirements.



Resilience cannot be improvised. It is prepared long before it is needed.

I want to be candid about how we read these results. They are healthy, because they were earned with discipline rather than bought with risk. But our aspiration is higher: to compound assets under management at 20% and above while staying firmly anchored to our credit-first approach. The near-term focus is simple: sharper execution of the growth strategies in place. Growth at Aavas has never been pursued at the cost of credit discipline, and this performance matters because it rests on perseverance, the quiet, consistent discipline of doing the basics right across cycles.

PERSEVERANCE

In financial services, one of the most enduring capabilities is perseverance: the discipline to stay faithful to sound principles precisely when circumstances invite you to abandon them. The temptation to compromise is often greatest not in a difficult market; but when it appears in a good one. A crisis is seldom caused by a shortage of opportunity; it is caused by the dilution of discipline. So, we seek neither maximum growth nor minimum risk. We seek intelligent risk: identified, priced, diversified and monitored. Equally important is our willingness to decline business that does not meet our standards. Every lender in truth runs two portfolios, the loans it approves and the loans it chooses not to. While the second portfolio may remain invisible, over time, it can be just as valuable in protecting asset quality, preserving capital, and creating sustainable value.

FY26 validated this philosophy. Asset quality strengthened even as we grew: 1+ DPD improved to 3.17% from 3.38% a year earlier, and Gross and Net

Stage 3 stood at 1.05% and 0.68%. The strength held across geographies: in vintage states, 1+ DPD stayed below 4% and Gross NPA below 1.25% of AUM; in emerging markets, comfortably within 4% and 1%. Quality has not been the price of expansion. It has been the foundation on which our expansion has been built.

The other half of resilience is the liability franchise. Anticipating a possible softening in rates, we tilted our borrowing mix toward external benchmarks; roughly 73% of borrowings are now linked to external benchmarks or short-term MCLR, so our liabilities reprice faster. Cost of funds improved 62 basis points over the year and spread expanded 31 basis points to 5.20%. We raised close to ₹6,705 crore at a competitive 7.61% and closed with outstanding borrowings of ₹20,400 crore. We hold ample liquidity: ₹1,900 crore of cash and unavailed lines, alongside documented undrawn sanctions of ₹975 crore. We secured a commitment of about ₹975 crore, roughly US\$ 108 million, from a marquee multinational financial institution, the largest NCD placement in our history, earmarked for EWS and LIG lending, women's ownership, green-certified housing and MSME credit in underserved regions. And we issued AAA-rated pass-through certificates for the first time, opening a new, cost-effective funding avenue. Resilience cannot be improvised. It is prepared long before it is needed. Perseverance is that preparation in action, forged through small, consistent efforts that ultimately make us strong enough to endure the toughest storms.

TECHNOLOGY & AI

We are entering an era where the most valuable capability is not artificial intelligence alone but institutional intelligence: combining data, technology, human judgement and organisational learning into consistently better decisions. We see real potential for AI in underwriting, fraud detection, collections and servicing, and we hold one line without exception: a model may recommend, a person remains responsible. Customers should notice simplicity, not systems. And every hour technology returns to our people should become an hour invested in understanding customers, strengthening portfolios and building enduring relationships.

GOVERNANCE

If culture defines how an institution behaves, governance determines how consistently it behaves. For an institution entrusted with public capital and family aspirations, governance is not a support function. It is the operating system, and its purpose is simple: better decisions. Are the right questions being asked? Are independent perspectives genuinely encouraged? Can a poor decision be challenged before it becomes an institutional concern? We treat healthy challenge as strength, risk as a culture rather than a department, and compliance as the spirit of responsible finance rather than its minimum. Management asks how we perform this year. Stewardship asks what kind of institution will exist because we were here. That is the question we intend to keep answering thoughtfully, responsibly, and consistently.

BUILDING THE NEXT CHAPTER

Our aspiration to build an asset under management franchise exceeding ₹50,000 crore in next 4 to 5 years is ambitious, but one that India's housing opportunity deserves. But the number is the outcome; Building a stronger institution is the objective. If we keep improving customer experience, strengthening our credit culture, making our people more capable, raising branch productivity, using technology to sharpen judgement, and maintaining uncompromising standards of governance, scale will follow. Five

commitments will guide the journey: the customer at the centre of every decision; our credit culture protected without compromise; continuous investment in people and leadership; technology in service of judgement; and capital allocated with patience and discipline.

Certain things will not change. We will never pursue growth at the expense of governance, never confuse activity with productivity, never let technology replace accountability, never trade customer trust for a short-term gain, and never see affordable housing as merely a commercial opportunity. Strategy may evolve. Values will endure.

To our customers: thank you for inviting us into one of the most meaningful moments of your lives. Your trust is where every decision at Aavas begins.

To my colleagues: annual reports recognise institutions, but history remembers people; thank you for protecting the culture that makes this one distinctive.

To our Board, our Lenders, Investors, Rating agencies and Regulators: thank you for a confidence we know must be continually earned, and which we intend to honour through disciplined execution and transparent communication.

If, years from now, Aavas is recognised as an institution that put customers first, stayed disciplined when markets were exuberant, invested patiently in people and created opportunity for families across Bharat, we will have succeeded: not because we built a large institution, but because we built one worthy of lasting trust.

People give us purpose. Performance gives us momentum. Perseverance gives us permanence. Together, they define The Aavas Way.

With gratitude,

Manu Yeshpal Singh

Chief Executive Officer



Five commitments will guide the journey: the customer at the centre of every decision; our credit culture protected without compromise; continuous investment in people and leadership; technology in service of judgement; and capital allocated with patience and discipline.

The Four Pillars – Key Focus Areas of Execution

At Aavas, our growth strategy is built on four pillars of execution. These are not independent priorities. They work together, each one strengthening the other, to create the foundation for sustained performance. Driven by the passion of our people and the discipline of our approach, these pillars continue to shape the way we grow.



Stakeholder Value and Strong Governance

is the foundation everything else stands on. It is the compact we keep with everyone who builds this business – our customers, our employees, our investors, our communities. Robust governance, transparent disclosure, and disciplined oversight ensure the value we create is shared fairly and sustained responsibly, year after year.



Asset Quality and Risk Discipline is what gives our growth its strength. As we expand, we remain focussed on maintaining quality at every step. Robust underwriting, low NNPA's, stable liquidity, and disciplined regulatory compliance ensure that our growth remains resilient and responsible.



Tier 2-3 Expansion and Brand Trust is bringing homeownership closer to aspiring Indians across Bharat's small towns. We are making housing finance more accessible, simpler, and easier to navigate. For many families, this means turning the dream of owning their first pucca house into a reality.



Profitable Growth is about more than growing bigger. It is about growing well. A strong AUM, a diversified disbursement mix, and productive branches come together to create a business that delivers sustainable value, year after year.

Pillar 1 – Stakeholder Value and Strong Governance

VALUE CREATION FOR STAKEHOLDERS

Every business has its stakeholders. Few are built with them.

The customer who trusted us with the first formal loan of their life; the officer who carried their file through an afternoon of rain; the shareholder who backed a lender headquartered far from the financial capitals; the town that gave a new branch the room to earn its name – these four constituencies did not simply receive value from Aavas in FY 2025-26. They helped create it, as they have throughout our journey, one act of faith at a time. What we owe them in return is not a paragraph of gratitude at the end of a report. It is a compact: specific, measurable and renewed annually in full public view. This chapter is an account of how that compact was kept.

OUR CUSTOMER

Our customer remains the reason this business exists. More often than not, they are the first person in their family to sit across the desk from a formal lender. Their documentation is thin. Their cash flow is real but unrecorded. Their aspiration is larger than their file. Serving them well is not a segment strategy for Aavas; it is the whole business.

In FY26, we integrated our transactional Net Promoter Score (tNPS) with the Salesforce (SFDC) customer journey from Q3 FY26. Our tNPS for H2 FY26 stood at 70. We read this, as the arithmetic of promises kept: a disbursement that landed on the promised date, a branch that answered its phone, a service that returned five years later when the family was ready for a top-up.

“Trust, once earned in these towns, travels further than any advertisement we could commission.”

OUR EMPLOYEES

Our employees are the operating engine that every rupee of assets depends on. In a business where every loan begins with a home visit, the workforce is not a cost line; it is the product. This year, we invested 4,01,287 training hours and filled 27% of Branch Manager positions through internal elevation. Women constituted 6 per cent of our workforce and a rising share of our leadership bench. Behind each of these figures is a career under construction: a credit officer who joined as a trainee and now leads a region; a collections executive serving the town in which they were raised. We do not read these as retention statistics. We read them as loyalty, measured.

OUR INVESTORS

Our investors, spanning Public shareholders, institutional funds and our strategic partner CVC Capital Partners, hold a compact identical in substance: transparency, discipline, and returns that hold across cycles. FY26 delivered a return on assets of 3.29% and a return on equity of 13.93%, placing Aavas among the most consistent performers in the affordable housing cohort. Our rating outlook was upgraded to Positive by both ICRA and CARE, standing as an external affirmation of our financial discipline, while our disclosures are written so that any reader can reach an informed conclusion without privileged access.

OUR COMMUNITIES

Our communities receive from Aavas what this sector has historically withheld: formal credit at a responsible cost, delivered without condescension. More than 61% of our borrowers are self-employed. 98% of loans disbursed this year included a woman as an applicant or co-applicant – a figure we track not because a policy requires it, but because we believe it is a leading indicator of a healthier household economy.

ONE COMPACT, NOT FOUR

The temptation in a chapter of this kind is to treat the four constituencies as separate audiences: the customer's satisfaction as one story, the employee's engagement as another, the investor's return as a third, the community's welfare as a fourth. That framing is convenient, and it is wrong. Our customer's monthly installment funds our investor's return. Our employee's judgement protects our customer's credit history. Our community's trust lowers our cost of acquisition, and our investor's capital builds our employee's career. Value at Aavas travels in a circle, and the circle is the business. When any arc of that circle weakens, every constituency feels it; when every arc holds, the compounding belongs to all four. FY26 was a year in which every arc held.

“The best businesses do not choose between their stakeholders. They serve one, and in doing so, serve them all.”

This is the compact we keep. The pages that follow are its evidence.



CORPORATE GOVERNANCE

THE ARCHITECTURE BENEATH

In a lending business, everything visible rests on something invisible.

The disbursement a customer receives is the tip of a process. Beneath it sit the credit checks, field verifications, sanction letters, treasury operations, audit trails and compliance filings that make it possible. Beneath those sits something quieter still: the framework that determines which decisions are taken by whom, how they are challenged, what happens when they are contested, and who answers when they prove wrong. That framework is governance. It is the architecture on which the rest of this report rests.

THE BOARD AND ITS WORK

The Board brings together deep experience in banking and financial services, statutory audit and risk, technology, and public policy. Its statutory committees – Audit, Nomination and Remuneration, Risk Management, Stakeholders' Relationship, CSR & ESG, IT Strategy, Asset Liability Management, and Customer Service and Grievance Redressal – met at least on a quarterly basis during the year, with 40+ Board and committee meetings held in total.

Over fifteen years of experience, we have learned that the true strength of a Board reflects in the quality of its oversight, the depth of its enquiry, and the integrity of its governance process.

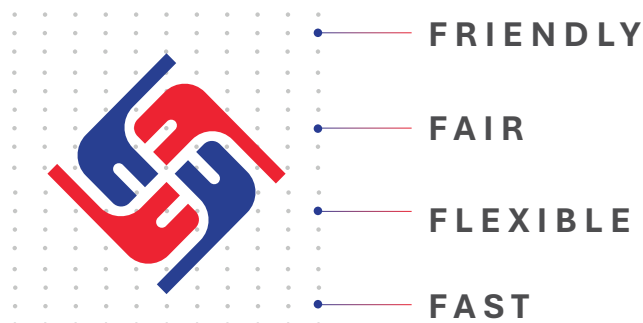
“Governance is not the agreement in the room. It is the willingness to record the disagreement, and to act on it.”

FROM THE BOARDROOM TO THE BRANCH

Governance at Aavas is built to travel. The standards the Board sets are translated into delegations of authority that define who may sanction what, escalation protocols that specify when a matter must move upward, and dual controls that ensure no consequential decision rests on a single judgement. A credit officer in a Tier 3 branch operates within the same architecture as the Audit Committee: the scale differs; the principle does not.

This is deliberate. In a Company of 7,649 people across 435 branches, culture is the only control that is always on duty, and we invest in it accordingly. Induction begins with the Code of Conduct rather than ending with it. Annual attestations are read and signed, not forwarded and forgotten. Our three lines of defence – business, risk and compliance, and internal audit – are staffed, resourced and independent, with each reporting upward through a channel the others cannot obstruct. When an employee anywhere in the network believes something is wrong, the whistleblower mechanism gives them a route that bypasses every intermediate layer and reaches the committee table, with protection.

CULTURE AND VALUES: THE AAVAS WAY



READINESS, NOT REACTION

Our regulatory posture is one of readiness rather than reaction. Our capital adequacy ratio (CRAR) stood at 44.56% as at March 31, 2026, comfortably above the regulatory minimum and, more importantly, above the internal threshold we hold ourselves to. Our related-party framework, whistleblower mechanism and Code of Conduct attestations were audited without material observations. Where the regulator has asked, we have answered. Where the regulator has not yet asked but plausibly will, we have prepared.

THE UNGLAMOROUS SUBSTANCE

Policy and process are the working substance of governance. They are the anti-bribery declarations required of every employee, the re-verification cycles run on dormant accounts, and the information security protocols that protect every customer transaction across our digital channels. Industry-standard encryption (SSL/TLS) safeguards the confidentiality and integrity of data in transit.

The internal cybersecurity audit surfaced 10 observations during the year, none rated Critical or High severity: 3 Medium and 7 Low. The findings related primarily to process improvement and control enhancement opportunities rather than material weaknesses. They are also the internal audit reports tabled before the Board each quarter, the management responses that record what was found and what was fixed, and the trend analyses that surface issues before they become problems.

Unremarkable in any single instance.
Indispensable in aggregate.

A BUSINESS WE CAN EXPLAIN

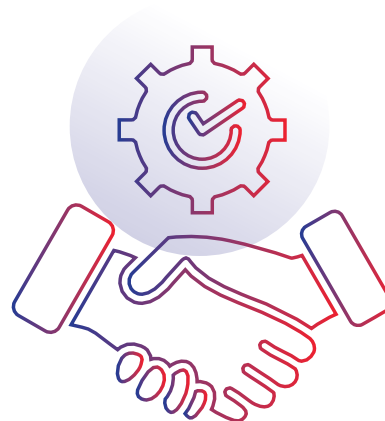
Transparency to shareholders completes the architecture.

Our disclosures, statutory and voluntary alike, are written on a single assumption: that any reader, retail or institutional, should be able to reach an informed conclusion from what we publish. Our investor presentations lead with the metrics an analyst would circle, not the metrics that flatter us. Our results calls take questions unscreened. Our forward-looking statements carry the caveats reality requires and are revisited on the schedule the reader expects.

There is a version of Aavas that might have grown faster by governing less. That version does not exist. The version that exists is one in which the architecture beneath was designed, deliberately and at some cost, to hold the weight above: this year's weight, and the far greater weight of the decade ahead.

That is the choice we have made. It is the choice we intend to keep making.

**“Governance, for us,
is not a chapter.
It is the architecture the rest of
the book sits on.”**



Pillar 2 - Asset Quality & Risk Discipline

In lending, the easy years flatter everyone. The hard ones reveal who was actually underwriting. FY 2025-26 tested the sector on both rate cycles and borrower resilience – and our portfolio answered the way we had built it to. We neither faltered, nor paused. Our robust underwriting standards, continuous portfolio monitoring, and strong governance ensured stable liquidity, low NNPA's and lower borrowing costs, backed by stringent compliance with regulatory frameworks.

Our GNPA closed the year at 1.05%, NNPA at 0.68%, and 1+ DPD at 3.17% – numbers that sit among the best in the affordable housing cohort, and more importantly, numbers that have stayed in a narrow band across cycles. This is not an accident. It is the compounding of

a thousand small disciplines: a four-eyes underwriting principle, a collections team that knows its customers by name, an analytics-led early-warning system that flags stress before it becomes a statistic, and a provisioning philosophy that prefers to be early rather than right.

We lend in markets where data is thin and income is informal. That is precisely why our underwriting has to be thick – built on physical verification, reference checks, cash-flow assessment, and the judgement of people who have seen these files for a decade. Our technology reads the signal; our officer reads the context. Neither works alone.

Our technology carries a human touch – the touch of empathy, understanding, relatability, and trust. It helps us serve better, respond faster, and create a customer experience that feels both efficient and deeply personal.

Risk, for us, is not a department. It is a shared instinct.

THE DISCIPLINE SCORECARD

Our resilient performance in FY26, amid localised macroeconomic stress, underscored our disciplined approach to business. By balancing consistent loan book expansion with tight risk management, we successfully sustained pristine asset quality and improved NIMs.

DIMENSION	METRIC	FY26	FY25
Quality	GNPA	1.05%	1.08%
	NNPA	0.68%	0.73%
	1+ DPD	3.17%	3.39%
Profitability	ROA	3.29%	3.27%
	ROE	13.93%	14.12%
	Cost-to-Income	44.66%	43.42%

Asset quality remained strong, with 1+ DPD improving to 3.17% as of March 2026, compared with 3.38% in FY25.

Gross Stage 3 and Net Stage 3 improved to 1.05% and 0.68%, respectively.

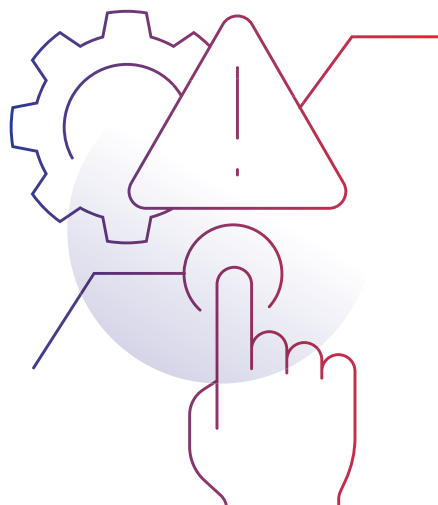
We have a highly entrepreneurial culture of finding solutions to hard problems, backed by a strong risk and governance culture.

By pricing the risk right, we can build a resilient and granular portfolio which can weather business cycles and credit cycles.



RISK MANAGEMENT - SHAPING STRONGER DERISKING STRATEGIES

The transforming external ecosystem demands a robust risk management approach from financial businesses like ours. At Aavas Financiers, we follow a well-defined risk management strategy aligned to the specific needs of our semi-urban and rural customers. Comfortable liquidity and rigorous underwriting standards help mitigate potential credit default at Aavas. We follow a structured approach, emphasising early risk identification and assessment, backed by effective mitigation measures. With our focus on minimising credit defaults, we maintain considerably low non-performing assets – underlining the strength of our risk management framework, which we continued to strengthen in FY 2025-26 by scaling our derisking strategies.



Key risks and mitigating measures

High geographic concentration and exposure to the largely self-employed and informal income segment in rural and semi-urban markets of India makes Aavas vulnerable to certain risks in the course of its business.



CREDIT RISK

Credit risk arises from the possibility of borrowers failing to meet their repayment obligations, which may impact asset quality and profitability.

Mitigating Measure

The Company follows a prudent underwriting framework, robust credit assessment processes, and continuous portfolio monitoring to maintain asset quality.

Regular collection follow-ups, early warning mechanisms, risk-based customer evaluation, and disciplined recovery practices help manage delinquency levels effectively.

As a result, the Company maintained a healthy asset quality profile, with 1+ DPD at 3.17% and GNPA at 1.05% as of March 31, 2026, reflecting a 3 bps improvement in GNPA over the previous year.



OPERATIONAL RISK

Loss/disruption of internal processes, systems, or external events may impact smooth operations.

Mitigating Measure

Operational continuity is maintained through robust internal controls, continuous training, strong IT systems and security, and elaborate business planning.



MARKET/LIQUIDITY RISK

Insufficient cash flow to meet financial obligations and operational needs can potentially impact the overall operational flow.

Mitigating Measure

As of March 31, 2026, we had ₹3,619 crore in surplus funds available for business (without including any incremental sanctions). Our robust liquidity profile was evident in our positive ALM, and a strong Capital Risk-Weighted Assets Ratio (CRAR) of 44.56%. Long-term debt equity ratio was 3.09x.



REGULATORY RISK

Non-compliance with evolving regulatory frameworks may adversely impact business operations.

Mitigating Measure

Periodic reviews and actions are ensured through technology-led compliance monitoring.

Company responds to all regulatory requirements in a proactive and timely manner.



TECHNOLOGY RISK

Potential business disruptions may occur due to system failures, technical malfunctions, inadequacies in IT infrastructure, or cyber threats such as phishing, ransomware, and other malicious activities. These risks may compromise system integrity and disrupt services impacting system availability. They could lead to unauthorised access, loss, or leakage of sensitive internal data and customer information.

Mitigating Measure

Aavas has established comprehensive policies, frameworks, procedures, and a structured risk assessment methodology to effectively manage technology risk. This is reinforced by a strong governance with oversight by the Board and its relevant committees, ensuring that technology risks are periodically reviewed and remain aligned with the organisation's risk appetite.

The Company has implemented a range of measures to strengthen its cyber resilience, including regular system upgrades, network and endpoint security controls, data encryption, and continuous monitoring of IT systems. These are complemented by periodic vulnerability assessments and penetration testing, well-defined incident response and business continuity plans, and ongoing employee awareness programmes.

Pillar 3 - Tier 2/3 Expansion & Brand Trust

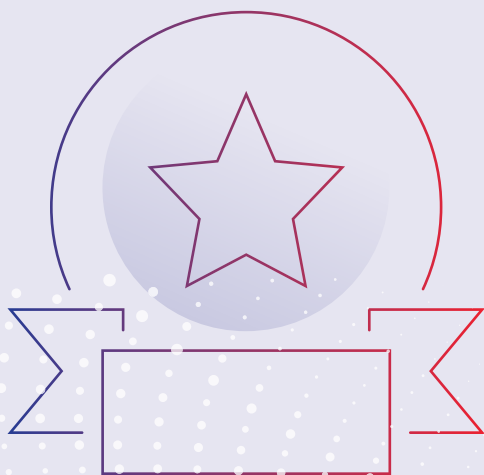
India's next housing story is not being written only in its metros. It is being written in Kharar, Bhilwara, Yamunanagar, Tumkur, Pen and thousands of similar towns – places where a young family's first pucca home is still a dream in progress, and where formal credit is often a first-time experience.

FY 2025-26 was a year in which we went deeper into these markets with sharper focus and greater conviction. We expanded our presence in towns where Bharat lives, works and dreams. More importantly, we strengthened our ability to convert customer aspirations into meaningful housing finance outcomes.

For many of our customers, owning a home is not merely a financial milestone. It is a foundation for dignity, stability and a better future for the family. Our role is to make that dream accessible, practical and achievable.

During the year, we added net 38 branches taking our network to 435 branches across 13 states and 2 union territories. Today, over 80% of our AUM comes from Tier 3 geographies – a mix that is difficult to build and even more difficult to replicate. It reflects the depth of our operating model, the strength of our local relationships, and the trust we have earned over time.

Our institutional credibility was further reinforced through the reaffirmation of our credit ratings, with CARE Ratings reaffirming AA with a Positive outlook and ICRA reaffirming AA with a Positive. These recognitions reflect the strength of our balance sheet, governance, asset quality, and long-term growth outlook.





Over the last fifteen years, Aavas has built this trust - one customer, one branch and one community at a time. Our ambition is to spend the next fifteen years deepening it further.



THE EVIDENCE

Credit rating reaffirmation and third-party recognitions

In FY 2025-26, Aavas continued to receive strong validation from rating agencies and external institutions, reflecting the resilience of our business model, quality of governance, and disciplined growth approach. The Company was also recognised across industry, sustainability and technology forums by esteemed bodies.

Deep Tier 2/3 presence and branch network growth

Our expansion continued to be anchored in India's underpenetrated housing finance markets. Net 38 branches added during the year and a network of 435 branches across 13 states and 2 union territories, we strengthened our presence in existing geographies while extending access to more small-town customers.

Strong customer trust and repeat engagement

Our customer satisfaction scores, referral momentum and repeat customer relationships reflect the strength of the Aavas brand in the communities we serve. In these markets, credibility travels through lived experience – and every satisfied customer becomes a voice of trust.

In the towns we serve, our name travels faster than our marketing.



Pillar 4 - The Profitable Growth Engine

Growth, for us, has never been a number to chase. It is a consequence - of the right customer found, the right file underwritten, the right rupee priced, and the right cost held in check. FY 2025-26 was a year where every part of that engine worked in quiet sync to drive enhanced business profitability.

We grew our AUM by 15% without loosening a single underwriting rule. Our disbursements rose 11%, led by a product mix that stayed anchored in home loans to the self-employed and the informally-incomed – the customer we were built for. Our cost-to-income moved to 44.66%, a function of branch-level productivity, digital throughput, and the operating leverage that only comes when a franchise matures. Spreads held firm in a year when many in the sector discounted to defend share.

Behind these numbers is a simple operating belief: the best growth is the kind that doesn't need to be defended next year.

And here lies the proof...

AUM GROWTH TRAJECTORY AND COMPOSITION.

Aavas has delivered consistent and resilient growth, with AUM expanding at a 23% CAGR between FY19 and FY25 and rising a further 15% in FY26 to ₹23,451 crore. This growth is underpinned by a deep rural and semi-urban presence, diversified products, and expanding geographic reach, with over 80% of branches located in Tier-3 and smaller towns. Supported by specialised underwriting for self-employed and informal-income borrowers, branch-led



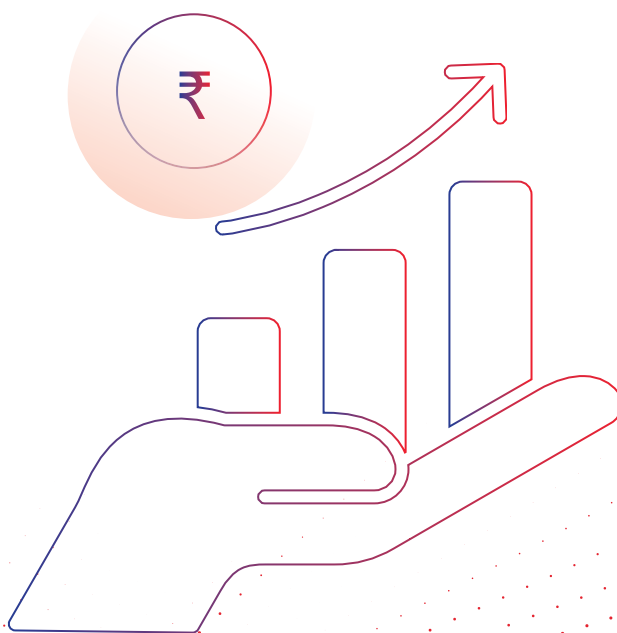
sourcing, co-lending partnerships, and digital investments, Aavas has built a scalable and resilient franchise. Its strong asset quality, diversified funding base, and robust capital adequacy of over 44.56% provide a solid foundation for sustained expansion.

DISBURSEMENT MIX – PRODUCT, CHANNEL, AND DIGITAL CONTRIBUTION

Our disbursement strategy is anchored in a diversified mortgage portfolio, branch-led sourcing, and increasing digital adoption. As of March 31, 2026, home loans account for 57% of disbursements, while LAP and MSME loans contribute 12% and 32%, respectively, catering primarily to self-employed and underserved borrowers. Over 75% of sourcing is driven through our robust physical branch network, supplemented by developer and partner ecosystems. At the same time, digital channels and end-to-end digitised processes are steadily enhancing acquisition efficiency, reducing turnaround time to just six days from login to sanction.

COST-TO-INCOME IMPROVEMENT AND BRANCH-LEVEL PRODUCTIVITY

Our Cost-to-Income ratio for FY 2025-26 was stable, at 44.6%. Supported by targeted branch excellence programmes and deeper penetration into high-potential markets, branch-level productivity improved with a monthly disbursement of ₹1.6 to ₹1.7 crore per branch.





Customer Story

Making Room for Bigger Dreams

Every home begins with a dream and every dream carries within it the hope of a better tomorrow.

For nearly seven years, Pinky and Sanjay Kumar lived with their family of six in a rented house. As their two sons and two daughters grew older, the space that once felt manageable slowly became too small for their growing needs and aspirations.



There was limited privacy, frequent water shortages, and the constant uncertainty of living in a house that was not their own. Every day brought its share of adjustments. Yet, through it all, the family held on to one dream – to build a home they could truly call their own.

With Aavas by their side, that dream began to take shape.

Through timely and accessible housing finance support, the Kumar family was able to start construction of their new home. Brick by brick, their long-awaited aspiration began turning into reality. Today, the walls are up, the rooms are ready, and the family can already imagine a future filled with comfort, laughter, celebrations, and lasting memories.

For their daughter, Sameeksha, the new home opens up another possibility. Passionate about stitching and tailoring, she now dreams of working from home and becoming financially independent. For her, this home is not just a place to live – it is also a place to begin.

For the Kumar family, their home represents much more than shelter. It stands for security, dignity, stability, and the confidence to dream bigger. Because when a family builds a home, they are not merely creating more space. They are creating room for opportunity, independence, and a better future.

At Aavas, stories like these remind us why we exist. Our purpose is to help customers realise their dream of home ownership and to transform aspirations into real, lasting impact.

Guided by our belief - **“Sapne Aapke, Saath Hamaara”** - we continue to grow with purpose, responsibility, and strength.

Strengthening Our Workforce

**“The file gets approved in a system.
The home gets built by a person.”**

At Aavas, every loan begins with a human connection.

It often starts with a knock on a door in a town that may not appear on a typical balance sheet. A field officer who has travelled since morning. A customer who may be meeting a formal lender for the very first time. A conversation in the local language, over a cup of tea, about income that does not always fit into a salary slip, and aspirations that cannot be captured in a standard template.

This is where our business truly happens.

Not only in our head office. Not only in our underwriting engine. But in that moment of trust between our people and our customers.

Our people are the bridge between aspiration and access. They understand local realities, decode informal incomes, build confidence, and help families take their first steps towards formal housing finance. They are the force behind our story of growth, resilience, and value creation.

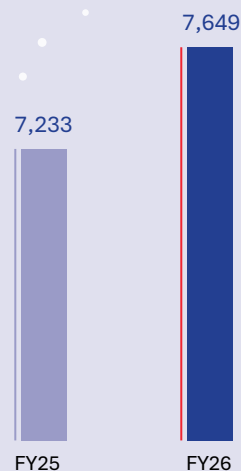
From these conversations begins a larger story of transformation – of customers moving closer to the dream of home ownership, and of employees discovering their own potential, purpose, and pride.

At Aavas, people are not just part of our journey. They are the starting point of everything we build.



THE AAVAS WORKFORCE, IN NUMBERS

Permanent Employees



STRENGTHENING OUR PEOPLE FORCE

It is not without reason that we have positioned People as the first P of our growth proposition. As the driving force behind the realisation of the dreams of millions of Indians aspiring for their own first home, our people are our pride. We remain committed to building on our people strength to create a more resilient and empowered workforce for scaling the next level of growth.

We have identified three key beliefs to shape how we build our people.

1

Hire for the geography, not just the role

As Aavas continues to expand across diverse geographies, talent acquisition remains closely aligned with local market realities. Beyond role-specific capabilities, the Company prioritises hiring professionals who possess a strong understanding of regional customer needs, cultural nuances, language preferences, and local business ecosystems. This approach enables deeper customer engagement, stronger community relationships, faster market penetration, and more effective execution across semi-urban and rural markets.

2

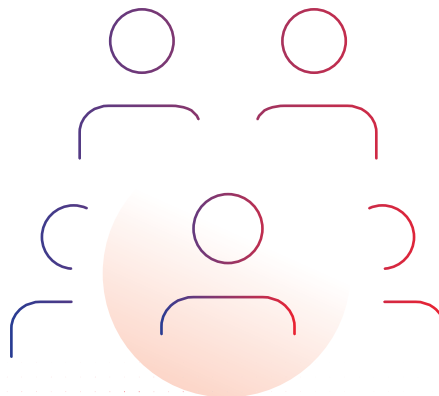
Promote from within, wherever the bench allows

16% of branch manager/BSM appointments in FY 2025-26 came from internal elevations, reflecting our commitment to building careers from within. By creating clear pathways for progression and investing in capability development, we empower employees to grow alongside the organisation. Careers, not just jobs, are the strongest retention strategy in our sector.

3

Train relentlessly, because underwriting informal income is a craft

In FY 2025-26, we invested 4,01,287 training hours in skilling our people in the unique art of underwriting for self-employed individuals and informal salaried workers. We provided our teams with the learning and knowledge-building needed to assess borrowers beyond conventional income documentation. Instinct, contrary to popular belief, is taught.







A DAY THAT DEFINES THE YEAR

On a warm morning in 2025, Amit Kumar, a Credit Officer at one of our branches, set out to meet a prospective customer – a small vegetable vendor who had spent years earning a modest living, while holding on to one deeply personal dream: to build a permanent home for his family.

On paper, the case appeared difficult. The customer did not have formal salary slips. Documentation was limited. Income was irregular and moved with the rhythm of the local market. For many lenders, it may have been a straightforward rejection.

But Amit understood something that lies at the heart of Aavas' approach – in India's informal economy, a person's story often says what paperwork cannot.

He spent the day understanding the customer's world. He visited the shop, spoke with neighbours, interacted with long-standing suppliers, and carefully pieced together the family's cash flows. Each conversation added context. Each observation strengthened

confidence. And each detail revealed what the documents alone could not – a hardworking individual with the intent, discipline and ability to repay.

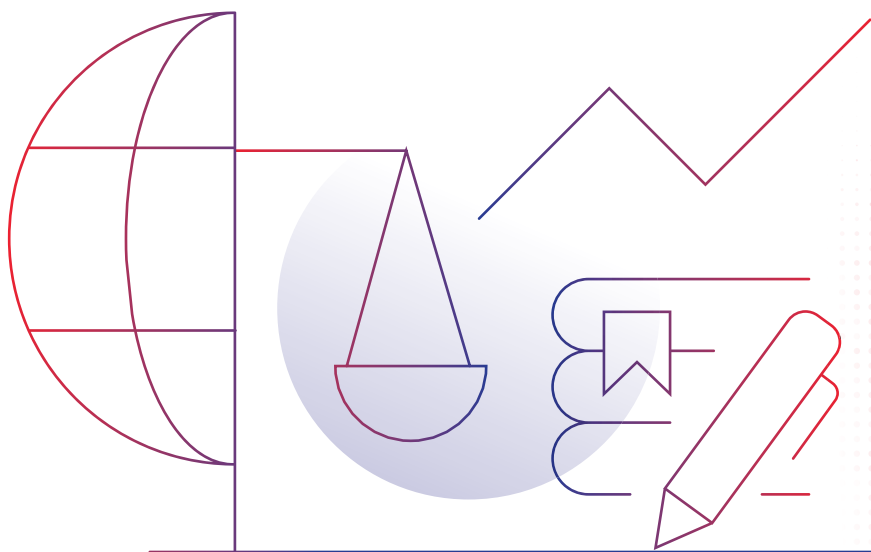
Based on this understanding, Amit recommended a loan structure that was aligned with the customer's actual earning pattern.

Today, the family lives in a home they proudly call their own. Their repayments have remained regular, and their experience with Aavas has encouraged others in the community to take their first step towards home ownership.

This is not just Amit's story.

It is the story of thousands of Aavas Credit Officers who go beyond files, forms and checklists every day. They meet customers where they are, understand their realities with patience and empathy, and help convert aspiration into access.

Because at Aavas, credit is not merely assessed through documents. It is understood through people, purpose and trust.





At Aavas, the wellbeing and safety of our people are not standalone initiatives. They are commitments embedded in the way we work.

development through comprehensive health and insurance coverage, mental wellbeing support, women's safety measures, POSH awareness, and responsive grievance redressal mechanisms. These systems help our people perform with confidence, care, and clarity.

Because when we invest in our people, we build more than capability. We build resilience, responsibility, and readiness for the future.

WELLBEING, SAFETY, AND THE ART OF GETTING IT RIGHT

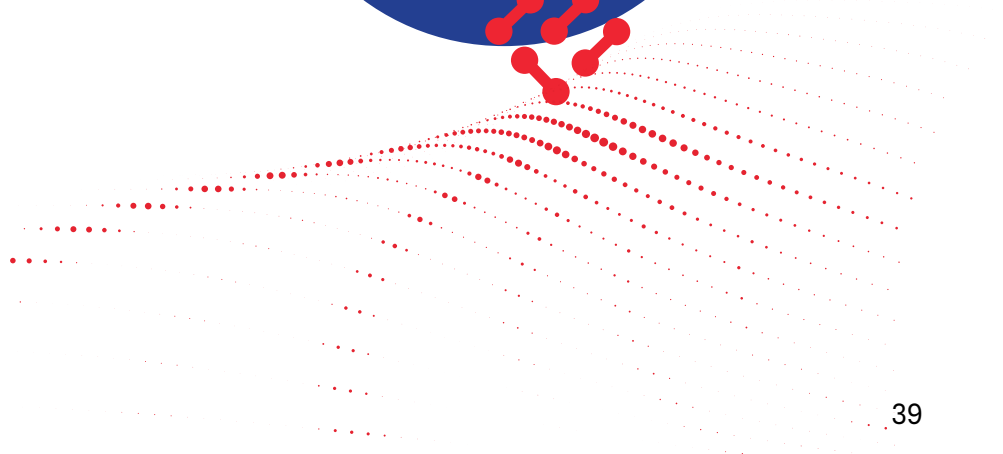
Organisations often expect their people to get things right – the first time, and every time. But sustainable performance is not built on expectations alone. It is built by investing in people, supporting them with the right systems, and nurturing the confidence they need to succeed.

At Aavas, the wellbeing and safety of our people are not standalone initiatives. They are commitments embedded in the way we work.

Our teams serve customers across diverse geographies, often travelling long distances, engaging with communities, and operating in dynamic field conditions. Creating an environment where they feel safe, supported, respected, and valued is therefore fundamental to our culture.

Our focus extends beyond training and learning. We continue to strengthen holistic people

As an organization – Aavas has continuously attracted and nourished high-quality talent. Our senior leaders, especially on the credit, sales and collections side, are almost entirely home grown.



Investing in People Growth and Capability Development

Aavas has prioritised the growth and development of its employees as integral to its ESG commitments. Our people play an important role in our journey of responsible growth by supporting customers and ensuring responsible practices in day-to-day operations.

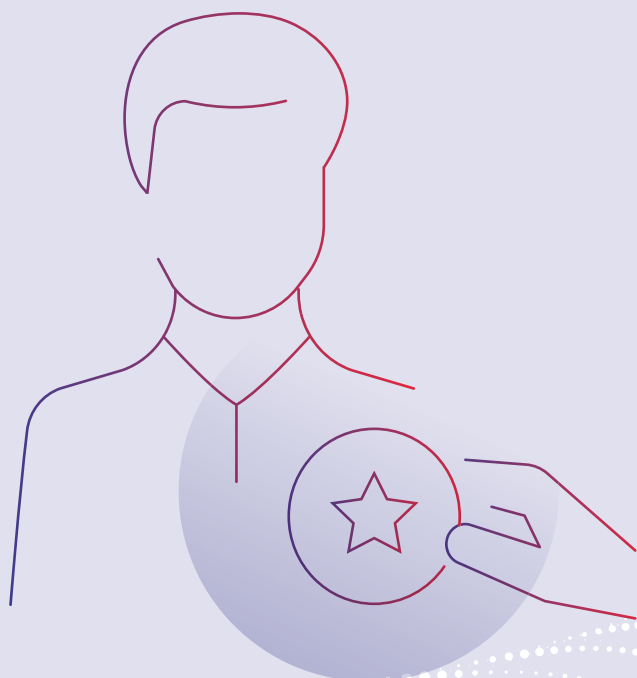
WORKFORCE DIVERSITY & INCLUSION

Our workforce reflects our strong focus on promoting inclusion and diversity, which we believe to be critical for ensuring holistic growth and value creation. We proactively foster gender diversity across the organisational hierarchy.

Our PRERNA mentoring and women-focussed initiatives further supported leadership development and inclusion through the year.

Aligned with our diversity and inclusion focus, we also actively promote:

- Equal opportunity policies
- Accessibility for differently-abled individuals
- Safe and inclusive workplace practices





EMPLOYEE WELLBEING & SUPPORT

Our emphasis on promoting employee wellbeing and supporting their welfare is driven by a series of programmes and initiatives implemented across Aavas. Key initiatives include:

- Health insurance coverage for over 97% of employees
- Accident insurance coverage for all employees
- Maternity, paternity and wellness benefits
- Creche policy and flexible work arrangements

TRAINING & CAPABILITY BUILDING

At Aavas, we believe continuous employee training and capability building to be an imperative for driving the Company's sustained, long-term growth. We focus on skill development and mentorship for empowering our people, while equipping them with domain knowledge, technological skilling and a customer-centric mindset.

4,01,287 hours

Employee training conducted in
FY 2025-26

The key areas of employee training during the year included: branch operations, credit assessment, management orientation, productivity enhancement, and Government housing schemes. Our core programmes across these areas covered: Branch Head Training, Credit Manager Training, BSM Training, Managers Orientation, Parambh Induction, PMAY Training, Productivity Booster Training and Lead Escalation Training.

Employees were also trained on compliance and risk-related areas through POSH Training, Information Security & Cyber Security Awareness, Insurance Training, Refresher Training and ESG Training. These programmes helped build a culture of ethical behaviour, workplace safety, and proactive risk identification and mitigation.

A mandatory Green Homes Training programme was conducted to strengthen awareness and capability in sustainable housing practices as a critical step towards a sustainable built environment.

Aavas recognises that employee engagement, capability and wellbeing are critical to delivering consistent, responsible and customer-centric growth.

PRERNA – Advancing Gender Diversity, Equity & Inclusion



At Aavas, we believe that an inclusive workplace is fundamental to sustainable growth, innovation, and organisational excellence. Guided by this belief, PRERNA – our Gender Diversity, Equity & Inclusion (DE&I) initiative launched on the year 2023, Women’s Day – continues to serve as a catalyst for empowering women, fostering inclusive leadership, and creating opportunities for every employee to thrive.

Inspiring Growth, Empowering Women, Creating an Inclusive Future

Now in its fourth year, PRERNA has evolved into a vibrant movement supported by employees across functions and geographies. Through meaningful programmes, leadership engagement, mentoring, wellness initiatives, and recognition platforms, PRERNA continues to strengthen our commitment to building a workplace where diversity is celebrated, inclusion is practiced, and every individual feels valued and empowered.

STRENGTHENING LOCAL LEADERSHIP AND SUPPORT NETWORKS

A significant milestone during FY26 was the establishment of a network of ten State-level PRERNA Leaders across key locations. These leaders serve as ambassadors of the initiative, driving local engagement, promoting awareness, supporting women employees, and acting as trusted points of contact for matters related to gender diversity and inclusion. This decentralised leadership model has helped deepen the reach and impact of PRERNA across the organisation.

ACCELERATING GROWTH THROUGH MENTORING

Mentorship continues to be one of the most key pillars of the PRERNA journey. During this year, 69 women mentees were paired with 33 women mentors

through our structured and guided mentoring program, creating opportunities for meaningful guidance, career development, leadership coaching, and professional growth.

The initiative has fostered valuable learning relationships that extend beyond professional development, helping women build confidence, expand networks, and navigate their career journeys more effectively. During the year, we also celebrated inspiring mentoring stories from across the organisation, recognising the contributions of both women and men allies who have played an instrumental role in supporting and mentoring women colleagues.





RECOGNISING EXCELLENCE AND INSPIRING ROLE MODELS

Celebrating achievement and recognising excellence remain central to the PRERNA philosophy. During last three years consistently, we have been running the Women of Excellence Awards, recognising exceptional talent, qualities and impact makers. This year's International Women's Day, Aavas honoured 78 women employees through the Women of Excellence Awards, recognising exceptional contributions across eleven categories including Resilience, Agility, Service Excellence, Reliability, Substance, Collaboration, Execution Excellence, Initiative, Leadership Excellence, and Impactful Mentorship.

These awards celebrate not only professional accomplishments but also the qualities of perseverance, innovation, collaboration, and leadership that inspire others and contribute to the success of the organisation.

DRIVING MEANINGFUL CONVERSATIONS ON INCLUSION

PRERNA continued its annual flagship annual leadership dialogue series “**Fostering Gender Diversity**”, bringing together distinguished leaders to share perspectives on building a culture of equitable and inclusive workplaces.

A key highlight of the year was a thought-provoking virtual panel discussion featuring

Ms. Madhuradasgupta Sen, Founder of Aspire For Her, and Mrs. Neha Sureka, Member of the Board of Directors, Aavas & Principal at CVC Capital. Moderated by Ms. Jijy Oommen, Chief Technology Officer of Aavas, the virtual panel discussion attended by employees across locations, explored the importance of inclusive leadership, allyship, equitable opportunities, and the role organisations can play in enabling women to succeed and lead.

The session reinforced our collective commitment to fostering a culture where diverse talent can flourish and contribute meaningfully to organisational growth.

PRIORITISING WOMEN'S HEALTH, WELLNESS AND WELL-BEING

At Aavas, we recognise that empowering women begins with supporting their overall well-being. With that objective in mind, we have introduced Women's Wellness Leave where all our women employees are allowed to take an extra day off every month.

During FY26, PRERNA organised an engaging and impactful workshop on **Women's Health and Fitness** led by **Dr. Sadhna Arya, renowned gynaecologist, marathon runner, and triathlete**. This workshop was conducted in Jaipur and attended by **160 participants** and encouraged women to prioritise their health and adopt sustainable wellness and endurance practices while balancing personal and professional responsibilities.

Complementing these efforts, PRERNA also conducted a series of in-person **workshops across Jaipur, Bengaluru, and Mumbai, engaging more than 200 participants**. These sessions focussed on themes such as reclaiming personal boundaries and self-worth, overcoming the inner critic through self-compassion, and achieving work-life balance. The workshops created safe spaces for reflection, learning, and meaningful dialogue, receiving enthusiastic participation and positive feedback from employees.

CELEBRATING WOMEN'S DAY

Women's Day celebrations at Aavas continued to be a vibrant occasion bringing together employees across locations in recognition of the contributions and achievements of women. The event was graced by Dr. Sadhna Arya as the Guest of Honour and witnessed enthusiastic participation from employees and members of the Senior Management Team.

The celebrations featured the Women of Excellence Awards ceremony, distribution of thoughtfully curated gift hampers to all women, engaging discussions, cultural performances, photography sessions, and a much-appreciated ramp walk by women employees that showcased confidence, self-expression, and empowerment, making the event a memorable highlight of the year.

BUILDING A CULTURE OF RESPECT, SAFETY AND INCLUSION

Aavas remains steadfast in its commitment to providing a safe, respectful, and inclusive workplace for all employees. Through **robust POSH governance mechanisms**, awareness initiatives, leadership engagement, and continuous education programmes, we continue to strengthen a culture founded on dignity, trust, and mutual respect.

Our ongoing efforts ensure that employees are aware of their rights and responsibilities and have access to appropriate support mechanisms whenever needed.

LOOKING AHEAD

The progress achieved through PRERNA over the past four years reflects the unwavering commitment of our Board, Management, Volunteers, Mentors, and



Employees who continue to champion the cause of diversity, equity, and inclusion.

As we move forward, we remain committed to expanding opportunities for women, strengthening inclusive leadership, increasing participation across all levels of the organisation, and fostering a culture of belonging where everyone can realise their full potential.

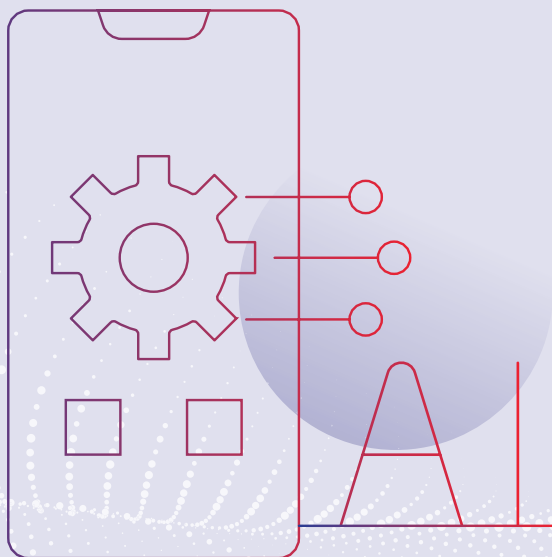
Our aspiration is not only to create an exceptional workplace for women but also to make Aavas one of the most inspiring organisations for Diversity, Equity & Inclusion – an organisation where inclusion drives innovation, empowerment fuels growth, and every individual is empowered to succeed.



Technology & Analytics - The Compounding Advantage

The affordable housing customer does not need technology that replaces human connection. The customer needs technology that strengthens it.

A customer may not want an app to replace their loan officer. They want a loan officer who is faster, better informed, more accurate, and more accountable because of the systems working quietly in the background. That is the technology Aavas continues to build – technology that enables our people, improves decisions, and enhances customer experience without losing the human touch.



At Aavas, analytics support the judgement of our credit officers. They do not replace it. This is especially important in informal income cases, where understanding a customer requires more than documents and data points. It requires context, conversation, and careful assessment.

Our collections stack helps identify early signs of stress, enabling timely engagement with customers before a concern becomes a crisis. It allows us to have a conversation when support may still make a difference, rather than waiting until recovery becomes the only option.

Our customer app is designed for moments where a branch visit should not be necessary – EMI receipts, loan statements, service requests, and top-up enquiries. At the same time, we recognise that some moments still deserve a human conversation, and we continue to preserve that balance.

For us, technology is not about removing people from the process. It is about making every interaction more responsive, reliable, and meaningful.

Our technology carries a human touch – the touch of empathy, understanding, relatability, and trust. It helps us serve better, respond faster, and create a customer experience that feels both efficient and deeply personal.

At Aavas, technology is the quiet backbone of a touch-led business – enabling transformation while keeping people at the centre.

KEY HIGHLIGHTS

Customer App Usage

76.54%

Downloads

80,368

Monthly Active users

Service Request Closure Time:

Most service requests raised directly through the customer app are resolved immediately.

26

Digital channels powering the lead pipeline

(In FY 2025-26)

THE GOAL THAT DRIVES US

At Aavas, technology is the quiet backbone of a touch-led business – enabling transformation while keeping people at the centre.

BUILDING THE RIGHT FOUNDATION

Transformation is about putting the right building blocks in the right place – and then watching a stronger, smarter and more resilient organisation take shape. Each block must be carefully designed, purposefully engineered, and stable at the core.

Over the last few years, Aavas has undertaken a significant technology transformation journey. These efforts have helped us build a modern enterprise technology, digital and data architecture – one that supports seamless scalability, stronger cybersecurity, operational agility, and readiness for future innovation.

This technology foundation is central to our business strategy. It enables higher efficiency, strengthens governance, improves employee experience, and enhances customer delight. Our roadmap is designed to support long-term growth and enterprise resilience by leveraging advanced Digital, Data and AI capabilities.

The core platforms powering this transformation include Salesforce for LOS and CRM, Oracle Flexcube for Loan Management, Oracle Fusion for financial accounting and reporting, Snowflake on AWS for data warehousing, SAS Viya for business rules, and MuleSoft for enterprise integrations.

FOCUSSED EXCELLENCE INITIATIVES

During FY 2025-26, a series of technology-powered and excellence-focussed initiatives helped us drive sustainable, quality-led growth across branches.

Project Neenv

Project Neenv focussed on strengthening pre-login discipline and frontline effectiveness through improved field force management, structured day planning, sharper governance, coaching support and better lead quality. Smart automations and AI/ML capabilities further helped improve field team effectiveness, productivity and execution rigour.

Project Sampoorn

Project Sampoorn was designed to build a First-Time-Right culture. It enhanced login quality, improved customer communication, optimised credit workflows, and reduced rework through AI/ML-enabled interventions. The initiative led to a doubling of login FTR rates and a notable improvement in decision turnaround time.

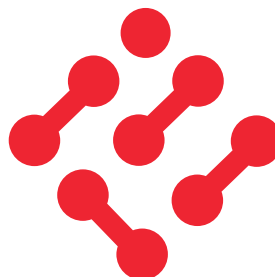


Project Setu

Project Setu focussed on optimising channel management through digital integration and stronger partner engagement. Channel onboarding turnaround time was reduced by more than 90% by making the process fully paperless. A robust API-driven integration framework was also built to enable lead and login automations, helping scale partner ecosystem integrations.

Project Nipun

Project Nipun institutionalised stronger post-login discipline by improving approval quality, decisioning standards, documentation discipline, and turnaround times. It helped strengthen credit workflow efficiency and improved the quality of decision handling.



Project Rise

Project Rise, our rewards and recognition platform, strengthened employee engagement through a scalable and structured recognition framework across the organisation. It enabled timely appreciation of employee efforts and reinforced a culture of performance, ownership and pride.

TARGETED CUSTOMER EXPERIENCE INITIATIVES

As a customer-centric institution, Aavas has consistently focussed on strengthening customer service capabilities and digital experience platforms. In FY 2025-26, we further reinforced this approach through several impactful initiatives.

A fully automated digital agreement system was implemented and rolled out, enabling faster and more seamless loan disbursements.

Self-service capabilities were made available to customers through Android, iOS and multiple service bots. These platforms enabled more than 75% of customer service requests to be resolved digitally, with 99% of these requests being self-served.

These initiatives reflect our belief that technology should simplify customer journeys while preserving the human touch where it matters most.

ROBUST SECURITY AND RESILIENCE INITIATIVES

As Aavas continues its digital transformation journey, strengthening digital security and enterprise resilience remains a strategic priority. We continue to invest in cybersecurity by adopting industry-leading solutions, practices and monitoring frameworks.



We also continued to closely monitor the evolving threat landscape and enhance our security capabilities in line with emerging risks.

Business continuity and resilience are tested regularly through drills, multiple audit cycles and external assessments. During the year, we undertook several programmes to promote digital safety and network security.

Cybersecurity awareness and simulation programmes were conducted regularly for employees to improve preparedness and strengthen organisational vigilance.

We successfully maintained our '**Advanced Category**' rating on the BitSight security report, reinforcing our commitment to maintaining a strong security posture.

We also continued to closely monitor the evolving threat landscape and enhance our security capabilities in line with emerging risks.

Together, these measures have strengthened our resilience against evolving cyber threats and reinforced trust in our digital ecosystem.



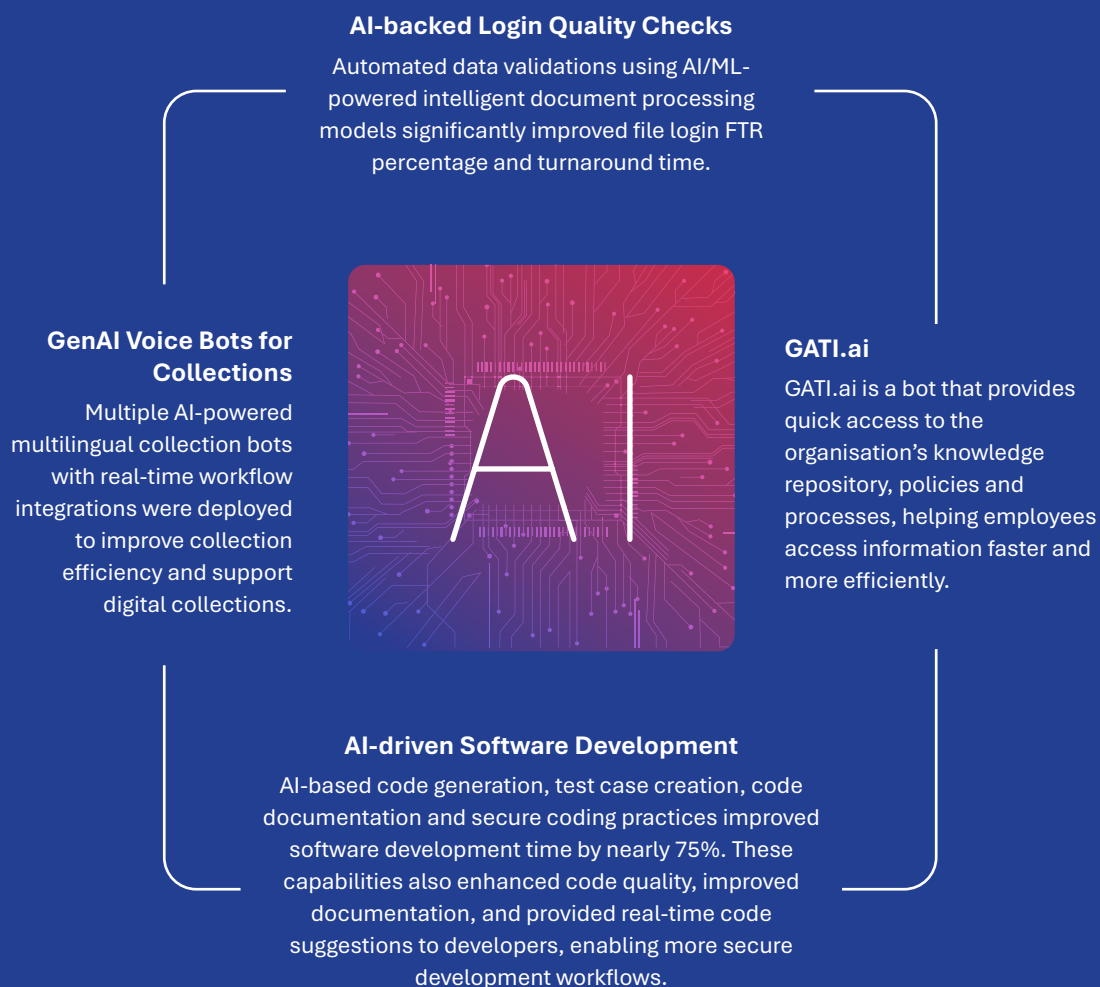
TAILORED DATA AND AI INITIATIVES

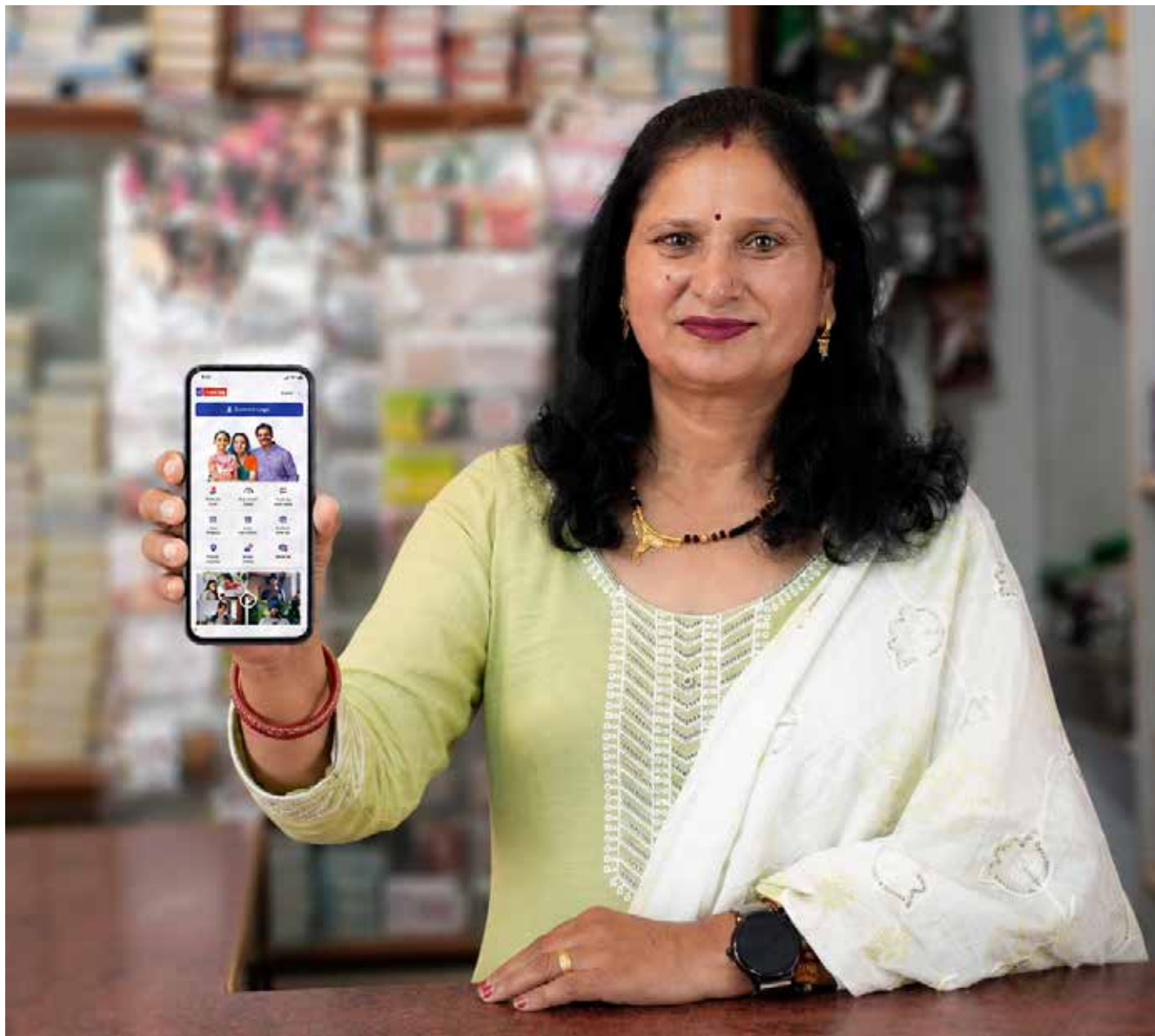
At Aavas, digitalisation and technology upgradation go beyond adopting the latest innovations. Our focus is on aligning technology solutions with our evolving business needs, customer realities and long-term strategic priorities.

During the year, we successfully completed the transformation of our data platform and established a high-quality, cloud-native data stack. This strengthened data infrastructure positions us to better harness advanced analytics, machine learning and AI-led capabilities.

With a strong digital foundation, a modern technology ecosystem and mature data capabilities in place, Aavas is well positioned for accelerated AI adoption.

Some of our recent AI-led implementations include:





THE JOURNEY CONTINUES

The technology and digital ecosystem continues to evolve rapidly. At Aavas, we remain focussed on staying aligned with this pace of change while ensuring that technology continues to serve our larger purpose.

Going forward, we will continue to scale Digital and AI capabilities across sourcing, underwriting, disbursements, collections, customer engagement, operations, governance, risk management and compliance.

Our direction is clear – to build a truly technology-powered, human-centric enterprise designed for stronger performance, deeper resilience and sustainable growth.

At Aavas, technology is not an end in itself. It is the quiet backbone that enables our people, strengthens our processes, improves customer experience and prepares us for the future.

ENVIRONMENT, SOCIAL AND GOVERNANCE

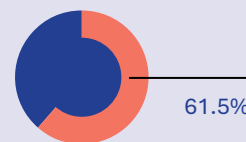
Being Responsible by Design

Affordable housing is fundamentally an ESG-driven effort. At Aavas, responsible lending is not a supporting statement in our narrative – it is the foundation of our business model. Every decision we take, every customer we serve, and every loan we underwrite reflects our commitment to enabling formal home ownership for segments that have historically remained undeserved by traditional financial systems.

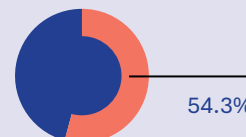
Operating across 435 locations in 13 States and 2 Union Territories, Aavas focusses on low and middle-income segments in semi-urban and rural areas. These are customers with aspiration but limited access, often with informal income profiles, limited documentation, and restricted access to other large housing finance companies and banks.

Our lending model addresses this structural gap. With an average ticket size of ₹10.2 lakh and average loan tenure of 15.3 years, Aavas enables customers to move from informal living to secure home ownership – transforming not just housing conditions, but financial identity, credit access, and long-term economic stability.

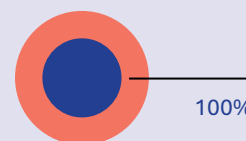
THIS IMPACT IS REFLECTED IN THE COMPANY'S CUSTOMER PROFILE AND OUTREACH



61.5% of the customers are self-employed, reflecting a significant presence in informal-income segments traditionally excluded from formal lending.



54.3% of AUM is attributed to EWS and LIG segments (19.7% EWS and 34.6% LIG), reflecting our focus on serving low-and middle-income segments aligned with affordable housing and financial inclusion.



100% of our operations are within India, reflecting a fully domestic lending model concentrated on serving housing finance needs across the country.

These metrics reflect our focus on expanding opportunities towards formal housing finance, enabling underserved customers to participate in the formal financial system.

Each loan provided is therefore more than a financial product – it is a pathway to stability, dignity and socio-economic mobility. By establishing a strong branch network, the Company bridges the gap between underserved and unserved households and the formal financial system, enabling customers to access responsible credit, financial guidance, and support.

At Aavas, ESG is not something applied separately to the business – it is reflected in the way the business is designed and operated every day. The Company operates at the intersection of financial inclusion, formal home ownership, social mobility and responsible growth, ensuring that long-term value creation is aligned with customer well-being, community impact and governance integrity.

ESG AS THE BUSINESS MODEL

Going beyond compliance, ESG is naturally integrated into our business. From enabling first-time homeowners and serving underserved communities to supporting green housing and strengthening governance, each aspect of the Company's operations reflects responsible growth.

Aavas continues to demonstrate that financial inclusion, environmental responsibility and governance excellence are not trade-offs – but drivers of sustainable, long-term value creation.

Our ESG impact is reflected in the outcomes created through our lending approach, focussed on enabling access to housing finance for unserved and underserved segments. By addressing the housing needs of low- and middle-income customers, particularly in semi-urban and rural areas, we provide affordable financing in locations where such financing is not easily available. This approach helps customers outside the formal credit system to build better and affordable homes.

Our lending model is designed to align with the income patterns of our target segments through appropriate loan structures and repayment tenures. This enables customers to access housing finance in a manner that is aligned with their financial capacity while maintaining credit discipline.

Our distribution network across multiple locations strengthens our ability to serve underserved geographies, bringing formal housing finance closer to customers beyond major urban centres.

These efforts translate into tangible outcomes:

- Access to housing finance for more customers
- Better availability of credit in semi-urban and rural areas
- Improved financial stability for customers

Through this approach, we continue to demonstrate that financial inclusion, when delivered responsibly, contributes to broader economic participation and sustainable growth in the affordable housing segment. This approach also supports customers in building long-term financial security and improving their quality of life. Over time, this contributes to stronger and more stable communities.

ENVIRONMENT

Protecting the Natural Ecology

The growing global emphasis on environment protection has catalysed a strong focus on reduction of the carbon footprint by organisations across industries. As a service-oriented housing finance company, our direct environmental footprint is primarily limited to office-based operations. Nevertheless, we remain committed to responsible resource management. We continuously monitor our energy usage, water consumption, emissions, and waste generation across our operations.

The key environmental performance indicators for the year are as follows:

ENERGY CONSUMPTION

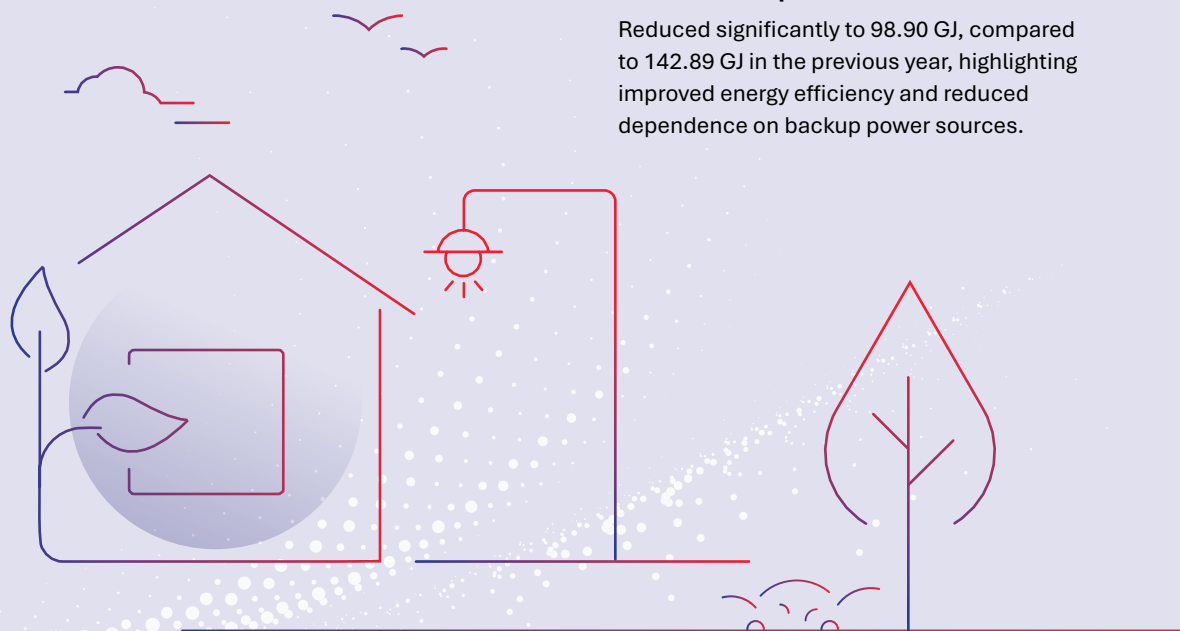
During FY 2025-26, the Company recorded a total energy consumption of 15,852.28 GJ, compared to 13,741.68 GJ in FY 2024-25. This increase is aligned with our growing operational footprint and expanding branch network, reflecting business growth and enhanced service delivery. Our current energy mix is predominantly non-renewable, presenting a strategic opportunity to integrate renewable energy solutions as part of our long-term sustainability roadmap.

Electricity Consumption

Increased to 15,753.38 GJ from 13,598.79 GJ, driven by expanded operations and higher utilisation across offices and branches.

Fuel Consumption

Reduced significantly to 98.90 GJ, compared to 142.89 GJ in the previous year, highlighting improved energy efficiency and reduced dependence on backup power sources.



WATER MANAGEMENT

Our total water consumption for FY 2025-26 stood at 1,29,709 kilolitres, compared to 1,19,033.79 kilolitres in FY 2024-25, with usage primarily for domestic purposes.

Water Consumption – Approach & Measurement

The Company's water requirements are primarily met through groundwater sources, with consumption closely monitored to ensure responsible usage. For the Head Office, water consumption is based on actual metered data, while for branch locations, consumption is scientifically estimated using regulatory norms (45 litres per employee per working day) in line with CGWA guidelines. This approach ensures consistency, reliability, and comparability of data across locations.

GREENHOUSE GAS EMISSIONS

At Aavas, we continue to strengthen our approach towards measuring and managing greenhouse gas emissions, aligning with our broader commitment to responsible and sustainable operations.

During FY 2025-26, the Company recorded:

Scope 1 Emissions

45.84 tCO₂e, compared to **33.02 tCO₂e** in the previous year

Scope 2 Emissions

3,106.92 tCO₂e, compared to **2,746.20 tCO₂e** in the previous year

The increase in emissions is consistent with our expanding operational scale, reflecting business growth and increased activity across locations.



In addition, we enhanced our emissions accounting framework by expanding our value chain coverage during FY 2025-26.

Scope 3 Emissions

12,487.98 tCO₂e, compared to **13,654.54 tCO₂e** in the previous year

Emissions were reported across five categories,

indicating improved data depth and measurement practices

Key Highlights

- Strengthened emissions measurement through broader Scope 3 coverage
- Improved data granularity and transparency, supporting better decision-making
- Emissions levels reflect operational growth, while reinforcing the need for continued efficiency initiatives

Our emissions inventory has been independently assessed and assured, ensuring accuracy, reliability, and alignment with recognised standards.



CARBON REDUCTION & SUSTAINABILITY INITIATIVES

During the year, we undertook multiple initiatives contributing to estimated carbon reduction of 1,242.23 tCO₂e. These included:

630 kWp of solar installation as a part of our CSR initiatives
919.70 tCO₂e savings

Tree plantation (10,000+ saplings)
322.53 tCO₂e sequestration

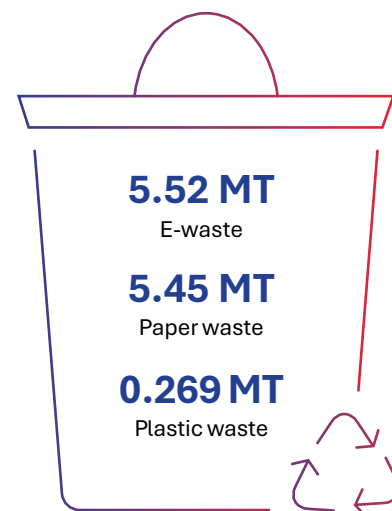
Additionally

- Maintenance of 10,846 previously planted saplings

The Head Office continues to hold LEED Gold Certification.

WASTE MANAGEMENT

During FY 2025-26, the Company generated a total of 11.24 metric tonnes of waste, reflecting a reduction from 12.96 metric tonnes from FY 2024-25. This indicated improved waste management practices and resource optimisation.



WASTE RECOVERY & DISPOSAL

During the year, waste recycling increased substantially to 10.97 MT, compared to 4.34 MT in FY 2024-25. This reflected our enhanced focus on resource recovery, segregation practices, and sustainable waste handling. This notable improvement also highlights the effectiveness of ongoing initiatives aimed at reducing waste sent to disposal streams.

Overall, the shift towards higher recycling and controlled disposal reflects our proactive approach to sustainability, emphasising responsible waste handling, improved operational efficiency, and alignment with environmental best practices.

All e-waste generated during the year (5.523 MT) was processed through authorised recyclers, ensuring compliance with applicable environmental regulations and adherence to responsible disposal practices.

GREEN HOUSING IMPACT

The Company continues to create positive environmental impact through its green financing portfolio, supporting sustainable housing solutions and resource-efficient living.

Particulars	FY 2025-26 / Cumulative
Certified Green Homes Financed (Nos.)	718
Additions during FY 2025-26 (Nos.)	370
CO ₂ Emissions Avoided (Tonnes annually)	764.81
Water Saved (Cubic metres annually)	34,149
Energy Saved (MWh annually)	1,080.89

These outcomes reflect our continued commitment to promoting environmentally responsible housing, contributing to lower carbon emissions, reduced water consumption, and enhanced energy efficiency. By integrating sustainability into our financing approach, we not only support customers in adopting greener living practices but also align our portfolio with long-term climate and resource conservation goals.

RESOURCE EFFICIENCY & DIGITALISATION

Aavas focusses on integrating resource efficiency and digitalisation into its affordable housing model to reduce its carbon footprint, drive financial inclusion, and streamline operations for underserved, semi-urban, and rural populations across India.

Key initiatives undertaken on this front include:

Digitisation implemented
across **362 branches**

12,000+ digital
Agreements executed

Reduction in paper usage
Supported through the Go
Green Initiative

SOCIAL

Focussed on Serving Customers Responsibly

At Aavas, customers are central to our responsibility ethos. We operate in a segment focussed on serving customers with partially documented incomes, where lending requires a deeper understanding of customer needs. This makes credit assessment both important and more detailed. Our approach is designed to ensure that access to housing finance remains responsible, transparent and sustainable for the customer.

To address this, the Company has developed:

- Internal ESG risk scoring through rating model
- Bureau-based credit checks
- Conservative Loan-to-Value (LTV) practices

These measures ensure that lending decisions remain prudent while enabling access. At the same time, we emphasise strongly on protecting customer interests throughout the lending process.

Customer protection is therefore pivotal to the Company's approach, and we ensure this through :

- Transparent disclosures, enabled through Key Fact Statements (KFS) and MITC
- Product information available in 8 languages, improving accessibility
- Multi-channel engagement through branches, digital platforms, CRM systems and field teams

To ensure that customer concerns are addressed effectively, we maintain a structured grievance redressal mechanism supported by:

- CRM-based complaint tracking
- Defined escalation matrix
- Regular reporting to the Audit Committee

This framework is reflected in the outcomes for FY 2025-26:

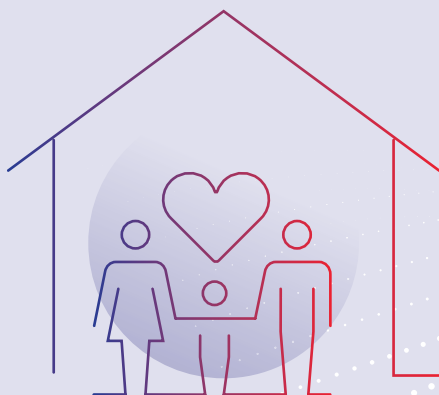
614

Customer complaints were received

Nil

Complaints remained pending at year-end

Our customer-oriented practices also ensured that no penalties or adverse regulatory observations relating to customer service were reported during the year.





CUSTOMER VALUE & RESPONSIBLE ENGAGEMENT

The Aavas customer proposition is centred around enhanced value creation and continuous positive engagement. We maintain a strong customer-first framework, supported by:

- Multi-channel grievance mechanisms
- Digital platforms (CRM, apps, chatbots, IVR)
- Transparent disclosures and communication

The various customer safeguards in place at Aavas include:

- No data breaches reported during the year

- Strong cybersecurity and data privacy controls
- Clear communication of product risks and responsibilities

To drive accretive value creation, the Company maintains:

- Continuous customer engagement through digital + physical channels
- Real-time grievance tracking and resolution systems

This model ensures that customer relationships are built on: Transparency, accessibility and long-term trust.

Fostering Societal Development & Responsible Policy Advocacy

With responsibility embedded as a core of our business strategy, we have prioritised community development and inclusive growth as important pillars of sustainable national progress. Responsible procurement and policy advocacy have emerged as important drivers of our inclusive growth strategy, and we continue to invest in strengthening our efforts in these areas.

RESPONSIBLE POLICY ENGAGEMENT

As an industry leader in the affordable housing finance space in India, Aavas spearheads important policy engagement initiatives. We engage with industry bodies to contribute to sector development and policy advocacy.

Our key industry body affiliations include:

- Confederation of Indian Industry (CII)
- ASSOCHAM
- PHDCCI
- Finance Industry Development Council (FIDC)

These platforms enable the Company to participate in responsible policy dialogue and contribute to inclusive housing finance development.

INCLUSIVE GROWTH & COMMUNITY IMPACT

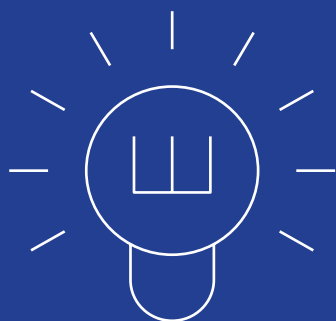
Our ESG impact extends beyond our balance sheet into direct community engagement. We run various targeted programmes to empower communities, especially in the areas of healthcare, education & youth development, livelihood creation, women empowerment, rural development, and environment protection.

These initiatives go beyond activity-based reporting and deliver strong outcomes such as:

- Improved healthcare access
- Enhanced employability
- Better learning infrastructure
- Strengthened rural ecosystems

In FY 2025-26, we have positively impacted a total 5,98,106 lives across programmes through our CSR initiatives.





In FY 2025-26, the impact of our CSR initiatives spanned:

3,04,185
beneficiaries

Healthcare

2,78,075
beneficiaries

Education & youth development

1,650
beneficiaries

Livelihood & women empowerment

598
beneficiaries

Solar Initiatives

3,598
beneficiaries

Rural development (Adarsh Gram)

RESPONSIBLE & INCLUSIVE PROCUREMENT

Our procurement practices are designed to promote inclusive economic growth and local value creation among the communities we serve.

In FY 2025-26:

- **25.29%** of procurement was sourced from MSMEs and small producers, reflecting a strong commitment towards supporting entrepreneurship and strengthening the MSME ecosystem.
- **97.07%** of sourcing was undertaken within India, reinforcing the Company's focus on domestic value chains and local economic development.

These figures highlight the Company's intentional approach towards responsible sourcing, balancing business efficiency with inclusive growth and support for local industries.

Our community and policy engagement efforts drive financial inclusion, sustainable housing, and rural empowerment across India.



GOVERNANCE

Focussed on Governance, Ethics & Responsible Business Conduct

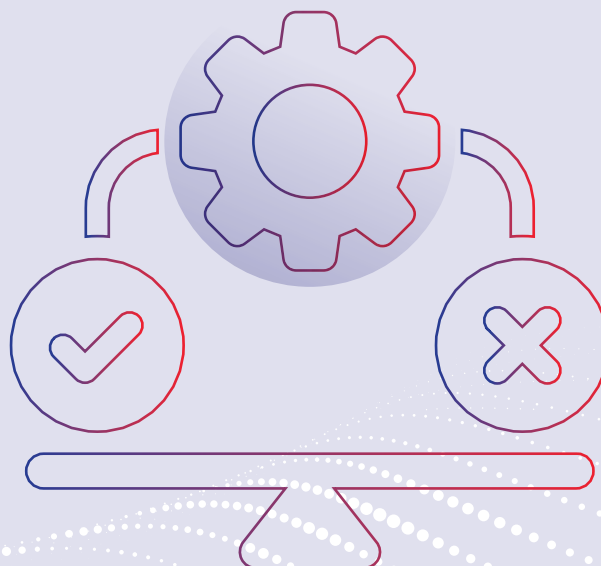
Strong governance forms the backbone of sustainable and responsible growth at Aavas. We have established intense ESG oversight through a Board-level Corporate Social Responsibility & ESG Committee, supported by a Management-level ESG Steering Committee, ensuring that sustainability considerations are embedded across business functions.

This is further strengthened by a robust risk governance framework led by the Risk Management Committee, which integrates ESG-related risks, including credit, economic, climate, and regulatory risks, into business decision-making.

We have also aligned our governance approach with regulatory requirements by obtaining Reasonable Assurance on its BRSR Core disclosures from Grant Thornton Bharat LLP, strengthening transparency and credibility.

This strong governance framework is supported by clear standards of ethical conduct, reinforced through:

- Anti-Bribery and Corruption Policy
- Vigil Mechanism / Whistleblower framework
- Code of Conduct applicable to employees and value chain partners



Profile of Board of Directors



MR. VELLUR GOPALARAGHAVAN KANNAN

Chairperson and Additional Non-Executive Independent Director*

(DIN 03443982)

Mr. Vellur Gopalaraghavan Kannan is the Chairperson of the Board and an Independent Director of Aavas. He is a seasoned banking professional with over 40 years of leadership experience in the Banking, Financial Services and Insurance (BFSI) sector. He has handled several leadership positions with State Bank of India (SBI), its subsidiaries & group companies. He served as Managing Director & CEO of SBI Capital Markets Ltd. Under his leadership, SBI's subsidiaries delivered strong financial performance, enabling significant dividend contributions and paving the way for the subsequent listing of several subsidiaries. He also served as Chief Executive Officer of the Indian Banks' Association (IBA), acting as the principal spokesperson for the banking industry and working closely with regulators and the Government on policy, operational and systemic banking matters. He also chaired the RBI-appointed Committee on ATM Interchange Fees and served as a Member of the RBI Committee on the Creation of a Secondary Market for Corporate Loans. Additionally, he was a Permanent External Expert Member of the Regulatory Oversight Committee of the National Stock Exchange (NSE).



Education Qualification

He holds Bachelor's degree in Business Administration from Madurai Kamaraj University and Master's degree in Business Administration from the University of Madras.

**Appointed with effect from August 01, 2026.*



MR. VIVEK ANANT KARVE

Additional Non-Executive Independent Director*

(DIN 06840707)

Mr. Vivek Anant Karve is the Chairperson of Audit Committee and Independent Director of Aavas. He brings over 30 years of extensive leadership experience across the consumer products, information technology services, and financial services sectors. During his distinguished career, he has held senior leadership positions with leading organisations including Procter & Gamble (P&G), ICICI, Siemens Information Systems, Marico Limited, and Mahindra & Mahindra Financial Services Limited. He has spent nearly two decades (October 2000 to September 2020) with Marico Limited, a leading listed FMCG Company, where he served in various strategic leadership roles, culminating in his appointment as Group Chief Financial Officer. He served as Chief Financial Officer of Mahindra & Mahindra Financial Services Limited, a listed NBFC. He led the finance function across diverse businesses, including home finance, vehicle finance, insurance broking, and mutual fund asset management. His key contributions included establishing robust performance management frameworks, centralising customer onboarding due diligence and finance processes, and successfully leading the acquisition of the minority stake in the Company's insurance broking subsidiary.



Education Qualification

He is a member of the Institute of Chartered Accountants of India (ICAI) and Institute of Cost Accountants of India (ICMAI) and holds B. Com degree from the University of Bombay.

**Appointed with effect from June 23, 2026.*



MRS. SOUMYA RAJAN

Independent Director

(DIN 03579199)

Mrs. Soumya Rajan is the Chairperson of Nomination and Remuneration Committee and an Independent Director of Aavas. She is the Founder and CEO of Waterfield Advisors, India's largest independent Multi-Family Office and Wealth Advisory Company, advising and managing assets of over US\$ 450 crore and working with clients in the areas of global investments, succession planning and strategic philanthropy, Waterfield pioneered Registered Investment Advisory Services in India. She is recognised as one of India's top women in business and is listed in Fortune India's 100 Most Powerful Women 2025 and featured in Forbes India's Women Trailblazers in 2021. She is a nominee on regulatory expert committees set up by the Securities Exchange Board of India (SEBI) for Registered Investment Advisors in India and the International Financial Services Centres Authority (IFSCA) at GIFT City, India for Funds Management and also serves as an Independent Director on the Private Equity backed boards of Vishal Mega Mart Limited. She cares deeply about contributing back to the social sector and serves on the Boards of several non-profit organisations in the education and mental health space.



Education Qualification

She holds an M.A. (Oxon.) in Mathematics from University of Oxford, United Kingdom (UK) and B.A. (Hons.) in Mathematics and Economics from St. Stephens College, Delhi, India.



MR. SIDDHARTH TAPASWIN PATEL

Non-Executive Nominee Director

(DIN 07803802)

Mr. Siddharth Tapaswin Patel is Non-Executive Nominee Director of Aavas. He sits on various committees at CVC, including the Asia Investment Committee, which oversees investments including in the Financial Services Sector and oversees CVC's activities in India. He currently serves as a Managing Partner based in Singapore, overseeing activities in India as well as Technology, Media and Telecom in Asia. He serves as a Director of the Torrent Gujarat Titans Private Limited and also associated with the Board of Oanda Global Corporation, a Financial Services Company regulated in the US and also has sat on the board of multiple public companies. Prior to joining CVC, he was with Apax Partners where he spent nine years in the technology and telecommunications team leading or co-leading transactions across the sector. He has over 24 years of experience in Private Equity Investing and leads numerous successful private equity investments across multiple sectors.



Education Qualification

He holds first class MA and BA degree from the University of Oxford.



MR. NIKHIL OMPRAKASH GAHROTRA

Non-Executive Nominee Director

(DIN 01277756)

Mr. Nikhil Omprakash Gahrotra is the Chairperson of Risk Management and CSR & ESG Committee and a Non-Executive Nominee Director of Aavas. He currently serves as a Senior Managing Director with CVC, with 21 years of private equity experience. Prior to CVC, he was a Partner with the Financial Institutions Group at Apollo Global, one of the largest alternate investment firms globally. Prior to Apollo, he was with BanyanTree Growth Capital, an India-focussed structured private equity fund, 3i Group Plc in India in the Growth Capital team, and Q Investments, a US-based hedge fund, where he was a founding member of their India office and Citigroup's investment banking team.



MRS. NEHA SUREKA

Non-Executive Nominee Director

(DIN 10759936)

Mrs. Neha Sureka is a Non-Executive Nominee Director of Aavas. She is a Principal & Member of Operations Team at CVC Capital Partners. She has over 20 years of experience in consulting and operating roles across various organisations. She started out in her professional career, as a management consultant with McKinsey and Company where she primarily served consumer-facing clients and tech services businesses for over six years. Prior to joining CVC, she spent nearly a decade building digital and technology-first businesses, and scaling them up at Aditya Birla Finance and Bharti Airtel in India.



Education Qualification

He holds MBA in Finance from Indian School of Business, Hyderabad and a Bachelor of Engineering (Electronics) from Veermata Jijabai Technological Institute, University of Mumbai.



Education Qualification

She holds Masters in Management as well as Bachelor's degree in Computer Science Engineering from the University of Mumbai.



MR. ROHIT RANJAN

Non-Executive Nominee Director

(DIN 00003480)

Mr. Rohit Ranjan is a Non-Executive Nominee Director of Aavas. He is a distinguished leader in the banking and financial services sector, over four decades with diverse experience spanning prominent global and Indian financial institutions. Over a meritorious 25-year tenure at Citibank India, he served in several senior leadership capacities, including Managing Director & Head of Secured Lending & Citi Business, as well as Managing Director of Citicorp Finance (India) Ltd. and CitiFinancial Consumer Finance (India) Ltd. He served as the President of Retail Lending at Axis Bank, where he successfully spearheaded the transformation and structural expansion of the bank's retail asset portfolio. Prior to his long-standing tenures at Citibank and Axis Bank, he built his professional foundation through various management roles at GE Capital TFS (formerly SRF Finance Ltd.), SRF Limited, and DCM Limited.



Education Qualification

He holds a Bachelor of Arts (Honours) degree in Economics from the University of Delhi and a MBA in Finance from the Anderson School of Management, University of New Mexico, USA.



MR. ANANT JAIN

Non-Executive Nominee Director

(DIN 06648006)

Mr. Anant Jain is a Non-Executive Nominee Director of Aavas. He joined CVC in October 2020 and currently serves as a Managing Director. He is a member of the CVC India team and is based in Mumbai. Prior to joining CVC, he was a Principal in the deal team of Warburg Pincus India where he worked for 10 years. From 2006 to 2008, he worked for Leonard Green & Partners as a Private Equity Associate and has over 18 years of experience in financial services including 16 years in private equity investment.



Education Qualification

He holds a BBA degree from University of Michigan and an MBA from Harvard Business School.

Profile of Key Managerial Personnel



MR. MANU YESHPAL SINGH

Chief Executive Officer*

Mr. Manu Yeshpal Singh is the Chief Executive Officer of Aavas. He is an accomplished business leader with over two decades of experience in retail lending, housing finance, and consumer banking, spanning Kotak Mahindra Bank, Tata Capital, ICICI Bank, and Tata Motors. His career reflects a unique blend of operational depth, strategic leadership, and P&L accountability across diverse financial products. Prior to leading Aavas, he served as the President & Business Head for Housing Finance at Kotak Mahindra Bank. In this capacity, he oversaw asset franchise of ~₹70,000 crore, steering both scale expansion and bottom-line profitability across the secured lending spectrum. His performance led to two promotions within a five-year window, culminating in his senior elevation in 2024. In an earlier role at Kotak, he led the Salaried Personal Loans business, scaling the portfolio threefold from ₹4,000 crore to ₹12,000 crore while preserving exceptional credit quality.

He began his rapid career ascent at ICICI Bank, where he became the youngest Assistant General Manager (AGM) while managing product structures and overseeing ~₹3,000 crore in monthly inventory funding to original equipment manufacturers (OEMs) for the two-wheeler division. He holds an established professional foundation initiating from his early career tenure with Tata Motors. He spent over a decade at Tata Capital, building and leading substantial consumer portfolios spanning vehicle loans, home equity, mortgages, and commercial vehicle finance. His final mandate at the firm involved managing an ~₹8,000 crore Personal and Business Loans book, alongside heading multi-channel product development, institutional alliances, and digital-enablement architectures.



Education Qualification

He holds degree of Master of Business Administration (MBA) in Marketing and a Bachelor's degree in Engineering (Mechanical).

**Appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the shareholders of the Company) & Chief Executive Officer of the Company, with effect from April 21, 2026.*



MR. GHANSHYAM GUPTA
Interim Chief Financial Officer*

Mr. Ghanshyam Gupta is the Interim Chief Financial Officer of the Aavas. He has more than 20 years of experience and associated with Aavas, since 2017. He has expertise in financial planning & strategy, budgeting, MIS, investor relations, and business growth initiatives. Strategic partner to leadership, driving profitability and performance improvement. Prior to Aavas, he was associated with Vaibhav Global, Tata Technologies Limited and Capgemini India Private Limited.



Education Qualification

He is a member of the Institute of Chartered Accountants of India (ICAI) and holds masters degree in computer application.

**Appointed with effect from June 22, 2026.*



MR. SAURABH SHARMA
Company Secretary and
Compliance Officer

Mr. Saurabh Sharma serves as the Company Secretary & Compliance Officer of Aavas, heading the Company's secretarial and Corporate Governance functions. He has been associated with Aavas since September 2021 and brings approximately eight years of comprehensive, professional experience in navigating corporate law, compliance, capital market regulations, and board-level governance. Prior to joining Aavas, he has previously worked with H.G. Infra Engineering Limited (a leading listed entity) and Generation Four Engitech Limited.



Education Qualification

He is a Member of the Institute of Company Secretaries of India (ICSI) and holds Bachelor's Degree in Commerce and Law.

Profile of Leadership Team



MR. RIPUDAMAN BANDRAL
Chief Business Officer

Mr. Ripudaman Bandral is the Chief Business Officer of Aavas, having transitioned into this role following his successful tenure as the Aavas's Chief Credit Officer. He is a financial service professional with over 28 years of extensive experience spanning business development, strategic planning, credit and risk assessment, client relationship management, and cross-functional team building. His rich professional trajectory includes successful tenures with ICICI Bank Limited, HDFC Bank Limited, Indiabulls Home Loans, Transamerica Apple Distribution Finance, and the Trident Group.



Education Qualification

He has done Masters in Finance and Control from University of Punjab, Patiala.



MS. JIJY OOMMEN
Chief Technology Officer

Ms. Jijy Oommen is the Chief Technology Officer of Aavas. She has over 27 years of rich experience in the retail Financial Services and Fintech space in building, managing, and transforming Robust and Scalable Technology Architectures, Business Systems, Digital Assets, AI & Hyper-automations, Operational Frameworks and High Performing teams. She has previously worked with Bajaj Capital, Manappuram Finance, Wonderla Holidays and Kinara Capital. She has played an instrumental role in transforming the entire technology ecosystem of the Company and built a significant digital, data and AI-powered automation capabilities. She champions gender diversity and inclusion initiatives in the Company and is a recipient of several industry recognitions.



Education Qualification

She is a Computer Science graduate with M. Tech in Computer Science from BITS, Pilani, MBA from SMU, PMP from Project Management Institute – USA and trained in Strategic Management from IIM Bangalore and Advanced Project Management from IIM, Kozhikode.



**MR. RAJARAM
BALASUBRAMANIAM**
Chief Strategy Officer and
Head of Analytics

Mr. Rajaram Balasubramaniam is the Chief Strategy Officer and Head of Analytics of Aavas. He has more than 23 years of experience in the field of consumer banking covering risk management, product and P&L management, sales and finance. Prior to joining Aavas, he was associated with Citibank, worked in UAE, Egypt and US, and with Standard Chartered Bank in India.



Education Qualification

He is a Chartered Accountant and holds 37th all India rank and also holds Degree of Bachelor's in Commerce.



MR. SHARAD PATHAK
Chief Compliance Officer

Mr. Sharad Pathak serves as the Chief Compliance Officer of Aavas, bringing over 14 years of robust experience in corporate law, regulatory compliance, secretarial practices, and corporate governance. He leads the compliance strategy of the Aavas, ensuring strict adherence to the regulations prescribed by the National Housing Bank (NHB), Reserve Bank of India (RBI) and other statutory bodies. He is associated with Aavas since its incorporation and he previously served as the Company Secretary and Compliance Officer of Aavas. Prior to joining Aavas, he was associated with Star Agri Warehousing & Collateral Management Limited as its Company Secretary, where he managed diverse corporate secretarial obligations and regulatory assignments.



Education Qualification

He is a fellow member of Institute of Company Secretaries of India (ICSI) and holds Degree of Bachelor's in Commerce and Law from the University of Rajasthan.



MR. ASHISH GAUTAM
Chief Customer
Experience Officer

Mr. Ashish Gautam is the Chief Customer Experience Officer of Aavas. He brings over 23 years of rich experience in Operations Management System, System implementation, Digital transformation, Machine Learning & Automation, Vendor Management, Business Development, Client Servicing and People Management in Banking / Financial Services Sector. Prior to joining Aavas, he served as the Head of Operations at Fedbank Financial Services Limited. His extensive professional trajectory also includes successful senior tenures with AU Small Finance Bank, ICICI Bank, Kotak Mahindra Bank, Barclays Finance, Indiabulls Housing Finance, EDA Rural Systems Pvt. Ltd., and the Iconic Hotel Rambagh Palace.



Education Qualification

He holds a Degree of MBA in Finance from Indian Institute of Forest Management.



MR. RAMACHANDRAN VENKATESH
Head of Internal Audit

Mr. Ramachandran Venkatesh is the Head of Internal Audit of Aavas. He has more than 30 years of work experience in the banking and financial services sector of which 16 years have been in governance, risk and control roles, spanning across Standard Chartered Bank, American Express, HDFC Bank, Fullerton, and Aditya Birla Finance Ltd, his last role being Head Internal Audit at Aditya Birla Finance Ltd for six and a half years before joining Aavas.



Education Qualification

He holds a Master's Degree from Jawaharlal Nehru University, Delhi.



MR. PUNIT PURUSHOTTAM AGARWAL
Interim Chief Risk Officer*

Mr. Punit Purushottam Agarwal is the Interim Chief Risk Officer of Aavas, having 13 years of experience, including 9 years at Aavas. He has experience across credit risk, market risk, sales, and risk management in retail lending – home loans, construction loans, and

LAP. He Known for balancing business growth with strong risk frameworks and governance.



Education Qualification

He is a member of the Institute of Chartered Accountants of India (ICAI).

**Appointed with effect from June 22, 2026.*

Awards & Accolades

CSR



Mr. Jean Todt, United Nations Special Envoy for Road Safety recognized and honoured Aavas Financiers Ltd. as a Road Safety for the remarkable work done in Road Safety through its CSR, with a special focus on Powered Two-Wheeler (PTW) Rider Safety



Honoured with Childcare Champion Award – India Childcare Awards 2025 presented by FORCES & Mobile Creches



Honoured with ET Rajasthan Business Awards (CSR Initiative of the Year)



Honoured with Best Environment Safety Initiative of the Year 2025 – Indian CSR Awards 2025



Honoured with Best CSR Award at NBFC Tomorrow Conclave & DNA Awards 2025 by Banking Frontiers

ESG



Aavas Financiers Ltd has been recognised at NHB's First Edition of Housing & Housing Finance Excellence Awards 2025, winning the prestigious category of 'Product Innovation'



Recognised as 2nd Runner Up for Tulsi Award

Brand / Corporate



Recognised as Great Place To Work Certified organisation



Recognised as the Finalist for Innovation in Enterprise Solution at the 16th Aegis Graham Bell Awards (AGBA) for Innovation

Corporate Information

CIN: L65922RJ2011PLC034297

Listed at:

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

(C) Chairperson
(M) Member

BOARD OF DIRECTORS

Mr. Vellur Gopalaraghavan Kannan

DIN: 03443982

Chairperson and Additional
Non-Executive Independent Director

Mr. Vivek Anant Karve

DIN: 06840707

Additional Non-Executive
Independent Director

Mrs. Soumya Rajan

DIN: 03579199

Independent Director

Mr. Siddharth Tapaswin Patel

DIN: 07803802

Non-Executive Nominee Director

Mr. Nikhil Omprakash Gahrotra

DIN: 01277756

Non-Executive Nominee Director

Mrs. Neha Sureka

DIN: 10759936

Non-Executive Nominee Director

Mr. Rohit Ranjan

DIN: 00003480

Non-Executive Nominee Director

Mr. Anant Jain

DIN: 06648006

Non-Executive Nominee Director

BOARD COMMITTEES

Audit Committee

Mr. Vivek Anant Karve (C)
Mr. Vellur Gopalaraghavan Kannan (M)
Mrs. Soumya Rajan (M)
Mr. Nikhil Omprakash Gahrotra (M)

Nomination & Remuneration Committee (NRC)

Mrs. Soumya Rajan (C)
Mr. Vellur Gopalaraghavan Kannan (M)
Mr. Siddharth Tapaswin Patel (M)

Stakeholders Relationship Committee (SRC)

Mr. Vellur Gopalaraghavan Kannan (C)
Mr. Nikhil Omprakash Gahrotra (M)
Mrs. Neha Sureka (M)

CSR & ESG Committee

Mr. Nikhil Omprakash Gahrotra (C)
Mr. Vivek Anant Karve (M)
Mr. Rohit Ranjan (M)

Risk Management Committee (RMC)

Mr. Nikhil Omprakash Gahrotra (C)
Mrs. Soumya Rajan (M)
Mr. Rohit Ranjan (M)
Mr. Manu Yeshpal Singh (M)

Asset Liability Management Committee (ALCO)

Mr. Manu Yeshpal Singh (C)
Mr. Nikhil Omprakash Gahrotra (M)
Mr. Rohit Ranjan (M)
Mr. Ghanshyam Gupta (M)
Mr. Ripudaman Bandral (M)
Mr. Punit Purushottam Agarwal (M)

IT Strategy Committee

Mr. Vellur Gopalaraghavan Kannan (C)
Mrs. Neha Sureka (M)
Mr. Nikhil Omprakash Gahrotra (M)

Customer Service & Grievance Redressal (CS&GR) Committee

Mr. Manu Yeshpal Singh (C)
Mr. Ghanshyam Gupta (M)
Mr. Punit Purushottam Agarwal (M)
Mr. Ashish Gautam (M)

Executive Committee

Mr. Nikhil Omprakash Gahrotra (C)
Mrs. Neha Sureka (M)
Mr. Manu Yeshpal Singh (M)
Mr. Ghanshyam Gupta (M)
Mr. Ripudaman Bandral (M)

KEY MANAGERIAL PERSONNEL

Mr. Manu Yeshpal Singh

Chief Executive Officer

Mr. Ghanshyam Gupta

Interim Chief Financial Officer

Mr. Saurabh Sharma

Company Secretary and
Compliance Officer

INVESTOR RELATIONS

Mr. Rakesh Shinde

Head of Investor Relations
E-mail: investorrelations@aavas.in

Joint Statutory Auditors

M/s M S K A & Associates LLP, Chartered Accountants

602, 6th Floor, Raheja Titanium,
Western Express Highway,
Geetanjali Railway Colony, Ramnagar,
Goregaon (E), Mumbai – 400063
Maharashtra, India
Telephone: +91 22 6974 0200
E-mail: info@mska.in
Firm Registration No.: W101187

M/s Borkar & Muzumdar, Chartered Accountants

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

Secretarial Auditors

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

Head of Internal Audit

Mr. Ramachandran Venkatesh

REGISTERED & CORPORATE OFFICE

201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area,
Jaipur-302020
Rajasthan, India
Telephone: +91 141-4659221
Website: www.aavas.in

REGISTRAR TO AN ISSUE & SHARE TRANSFER AGENT

(Equity Shares & Bonds/ Debentures)

MUG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 8108116767
Website: www.in.mpms.mug.com

DEBENTURE TRUSTEE

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

Beacon Trusteeship Limited

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

Bank and Financial Institution Details

PRINCIPAL BANKERS

Axis Bank
Bandhan Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
CITI Bank
CSB Bank
DBS Bank
Federal Bank
HDFC Bank
ICICI Bank
IDBI Bank
IDFC First Bank
Indian Bank
Indian Overseas Bank
Karnataka Bank
Kotak Mahindra Bank
Punjab National Bank
Shinhan Bank
South Indian Bank
State Bank of India
State Bank of Mauritius
UCO Bank
Union Bank of India
Yes Bank

FINANCIAL INSTITUTION/DEBT CAPITAL

National Housing Bank
International Finance Corporation
Asian Development Bank
Small Industries Development Bank of India (SIDBI)
British International Investment
ICICI Prudential Mutual Fund
Nippon India Mutual Fund
HDFC Mutual Fund

Management Discussion and Analysis



GLOBAL ECONOMY

Overview

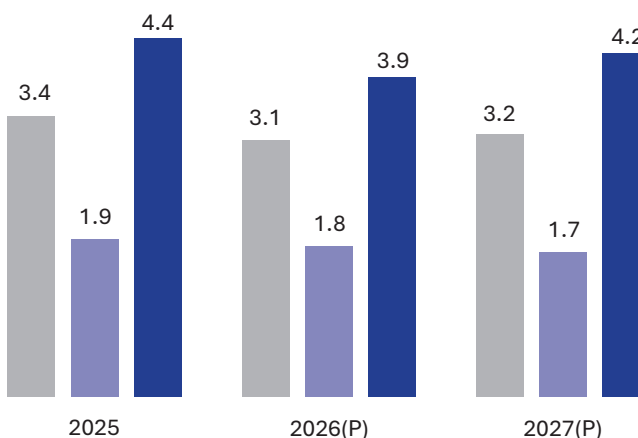
The global economy in 2025 operated within a complex and increasingly uncertain macroeconomic environment, marked by trade restrictions, policy uncertainty and persistent geopolitical tensions. Ongoing conflicts in Eastern Europe and the Middle East, including the Russia-Ukraine war, continued to disrupt global supply chains, energy markets and investor sentiment, leading to periodic volatility in commodity prices and financial conditions. At the same time, rising tariffs, changing trade arrangements and increasing geoeconomic fragmentation added to uncertainty in global trade and investment flows.

Despite these headwinds, global economic activity remained resilient during the year, supported by stable labour markets, continued fiscal support and technology-led investments, particularly in artificial intelligence (AI). Economies also adapted through diversified trade routes, enhanced energy security measures and supply chain realignment, which contributed to a relatively stable recovery. As a result, global growth stood at 3.4% in 2025, compared to 3.3% in 2024.

Advanced economies recorded growth of 1.9% in 2025, supported by relatively stable labour markets, easing financial conditions and recovering demand. Meanwhile, emerging market and developing economies (EMDEs) expanded by 4.4%, driven by resilient domestic consumption, improving activity across manufacturing and services, and continued infrastructure investments in key Asian economies.

Global headline inflation moderated to 4.1% in 2025, reflecting easing supply-side pressures and the impact of earlier monetary tightening measures. However, inflation trends remained uneven across regions, with inflation remaining above target in the United States while remaining relatively subdued in several other major economies.

Real GDP Growth



● Global ● Advanced Economies

● Emerging Markets and Developing Economies

*P stands for Projected

[Source: IMF World Economic Outlook April 2026]

Outlook

The global economic outlook for 2026 remains one of moderate expansion, supported by continued investment in technology, relatively supportive macroeconomic policies and improving activity in select sectors. However, the outlook remains subject to elevated uncertainty arising from conflict in West Asia, alongside trade route disruptions, energy market volatility and tighter financial conditions. While global growth is projected to ease at 3.1% in 2026, the balance of risks remains tilted to the downside, particularly if higher energy prices and weaker trade flows begin to weigh more materially on demand conditions.

Global trade volume growth is also expected to slow from 5.1% in 2025 to 2.8% in 2026, before recovering to 3.8% in 2027, reflecting the impact of weaker global demand, geopolitical uncertainties and changing trade dynamics across economies.

The United States is expected to remain a key anchor for global growth, with GDP projected to grow by 2.3% in 2026 before moderating to 2.1% in 2027. Advanced economies are likely to witness steady but moderate growth, constrained by weak external demand, fiscal pressures and cautious monetary policy settings. In contrast, EMDEs are expected to continue outperforming advanced economies, supported by domestic demand, public expenditure and structural growth opportunities, although performance may remain uneven across geographies.

The global inflation outlook remains cautious. While the broader disinflation trend is expected to continue, the recent rise in energy prices has heightened the risk of renewed inflationary pressures, particularly in advanced economies. This may lead central banks to remain more data-dependent and calibrated in their policy actions than previously anticipated. However, the ongoing conflict in West Asia, may create near-term volatility through supply chain disruptions, energy price fluctuations and currency volatility. Overall, the inflation outlook points to gradual moderation, albeit with heightened sensitivity to geopolitical developments and energy prices.



INDIAN ECONOMY

Overview

The Indian economy remained one of the fastest-growing major economies in FY 2025-26, supported by resilient domestic demand, infrastructure-led investment and policy reforms. According to the Second Advance Estimates released by the National Statistical Office (NSO), real GDP is estimated to grow by 7.7% in FY 2025-26, driven by strong private consumption and investment activity. The services sector remained the key growth driver, while manufacturing witnessed continued improvement supported by Government-led production initiatives and infrastructure spending. Real GDP is estimated at ₹323.12 lakh crore, reflecting growth of 7.7% over FY 2024-25.

India continues to remain among the world's largest economies, currently ranking as the sixth-largest economy globally in nominal GDP terms as per the IMF. Structural reforms such as GST, Production Linked Incentive (PLI) schemes, and Make in India 2.0 continue to improve formalisation, manufacturing competitiveness and ease of doing business, while strengthening India's position within global supply chains. Manufacturing activity remained strong, with the HSBC India Manufacturing PMI rising to 54.7 in April 2026, supported by domestic demand and higher output levels.

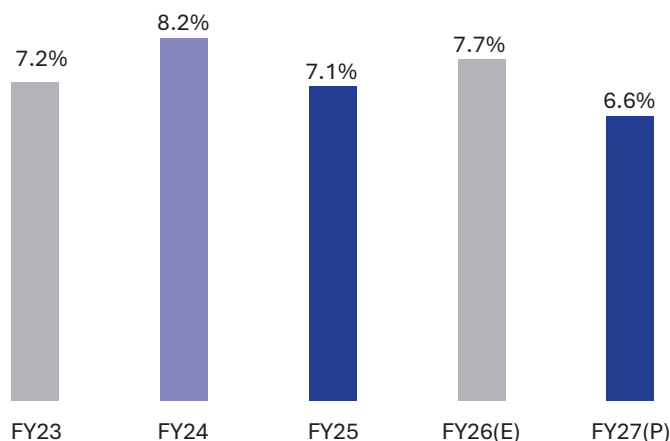
The conflict in West Asia and disruptions across global trade routes have created fresh uncertainty around energy prices, logistics and availability of critical industrial inputs. As an import-dependent economy for crude oil and intermediate goods, India remains exposed to global supply chain disruptions and commodity price volatility. However, diversified sourcing strategies, domestic manufacturing capabilities and integration with emerging markets are helping mitigate external risks and support industrial continuity.

The Government's large-scale investments, reforms and flagship initiatives, such as Make in India, Product-Linked Incentive (PLI) Schemes, have been instrumental in fostering industrial growth. The PLI scheme has attracted investments of approximately ₹2.16 lakh across 14 key sectors, in line with the national goals like 'Atmanirbhar Bharat' and India's vision of a \$5 trillion economy.

India's Index of Industrial Production (IIP) registered a growth of 4.1% in March 2026, supported by 4.3% growth in the Manufacturing sector and 5.5% growth in Mining activity, reflecting continued resilience in industrial and infrastructure-led economic activity.

Inflation moderated significantly during the year, with the RBI lowering its CPI inflation forecast for FY 2025-26 to 2.0%, supported by favourable supply conditions and easing food prices. In response, the RBI reduced the repo rate cumulatively to 5.25%, supporting credit availability and investment activity. India's exports are projected to approach US\$ 1 trillion in FY 2026-27, strengthened by trade agreements, manufacturing scale-up and improving export competitiveness.

India's GDP Growth



*P stands for Projected

*E stands for Estimated

(Source: [Tradingeconomics](#), [MOSPI](#), [RBI](#), [PIB](#), [Fortuneindia](#))

Outlook

India's GDP growth for FY26 is estimated at 7.7%, driven by the double engine of consumption and investment. It reaffirms India's status as the fastest-growing major economy for the fourth consecutive year. The nation is expected to reach a \$30-35 trillion economy by 2047, entering the league of developed nations. Structural reforms and sustained growth momentum are driving this rapid progress, while digital and physical infrastructure are also expanding significantly.

Amid persistent trade policy uncertainties, geopolitical tensions, and tighter financial conditions, India's growth outlook remains resilient, supported by strong domestic consumption, easing inflation, and a revival in private investments. Initiatives such as Make in India 2.0 will prioritise emerging and high-growth sectors while improving the business environment. The PLI scheme continues to act as a catalyst for scaling manufacturing, boosting exports, and enhancing India's competitiveness. Improved rural consumption, driven by moderating inflation, further bolsters this growth trajectory.

(Source: [PIB](#), [Global Economic Cooperation \(GEC\)](#), [PIB](#), [Economic Times](#))

Union Budget 2026-27

The Union Budget 2026-27 reflects the Indian Government's focus on a growth-led fiscal strategy, while maintaining stable macroeconomy. With a targeted fiscal deficit of 4.3% of GDP and a projected nominal growth of around 10%, the budget highlights a calibrated fiscal consolidation. India's Union Budget FY 2026-27 emphasises public investment by raising the capital expenditure (capex) outlay to a record ₹12.2 lakh crore. This nearly 9% increase from the previous year's estimate of ₹11.2 lakh crore is intended to sustain economic momentum and fulfil the government's "Viksit Bharat" vision for a developed India. Capital expenditure is prioritised in the budget, with allocations directed towards roads, railways, ports, airports, power transmission and urban infrastructure.

The Union Budget 2026-2027 reinforces Make in India by allocating ₹15,541 crore to Production-Linked Incentive (PLI) schemes, aiming to make India a global manufacturing hub. Policy support for sectors like semiconductors, biopharma, and capital goods aims to improve domestic value addition, strengthen the supply chain, and reduce import dependence. The launch of initiatives such as Semiconductor Mission 2.0 and investments across industrial ecosystems are expected to accelerate India's transition into a global manufacturing hub.

The budget continues to strengthen the banking and credit ecosystem by improving liquidity, enhancing access to finance for MSMEs, and supporting priority sectors such as affordable housing. Additionally, this budget prioritises housing and urban development through a 50% increase in Ministry allocation to ₹85,522 crore, focusing on PMAY-Urban, City Economic Regions (CER), and sustainable infrastructure.



INDUSTRY OVERVIEW

The Indian housing finance sector in 2025-2026 is experiencing steady growth, driven by strong demand in affordable housing and tier-2/3 cities, supported by government initiatives and rural economic recovery.

Housing Finance Sector Overview

The housing finance sector in India has emerged as a key enabler of residential demand and financial deepening, supported by rapid urbanisation, rising income levels, and policy-led incentives for affordable housing. The total housing loan portfolio for Non-Banking Financial Company (NBFCs) and housing finance companies (HFCs) reached surpassed ₹10 lakh crore mark and is estimated at ₹10.7 crores as on Mar-26, reflecting a year-on-year growth of 15%, with the sector maintaining a growth trajectory of 15-17% in FY27, indicating continued credit demand across borrower segments. The sector is also benefiting from demand in semi-urban and emerging markets, supported by the expansion of lender networks and digital underwriting capabilities. Additionally, housing loans as a percentage of GDP increased from 8% in FY15 to 11% in FY25, highlighting the deepening of mortgage penetration in the economy. The housing finance market is estimated at USD 430.74 billion in 2026 and is projected to reach US\$ 809.07 billion by 2031 at a 13.44% CAGR, driven by affordability, favourable demographics and continued policy support.

The housing finance sector in India remains well-diversified and competitive, with Public Sector Banks continuing to hold a dominant share in housing credit, while private sector banks leverage digital capabilities and faster turnaround times to strengthen their market position. Housing Finance Companies (HFCs), on the other hand, maintain a focused presence in niche segments such as affordable housing and self-employed borrowers. As per data from the National Housing Bank, HFCs accounted for approximately 19% of individual housing loans as of March 2025, underscoring their continued relevance in enabling last-mile credit delivery.

During 2025, the RBI reduced the policy repo rate by a cumulative 125 basis points to 5.25%, which contributed to a decline in weighted average lending rates and supported affordability. The RBI also revised priority sector lending norms to expand the eligibility of affordable housing loans, while continuing the broader harmonisation of HFC regulations with the NBFC framework through tighter prudential requirements, stronger governance expectations, enhanced fraud risk management, improved wilful defaulter treatment, and more robust supervisory and reporting architecture.

Policy support remained a key enabler for the sector, with the allocation of ₹35 billion to the Interest Subsidy Scheme under Pradhan Mantri Awas Yojana (PMAY) in the Union Budget 2025-26, and the launch of the second tranche of the SWAMIH fund amounting to ₹150 billion, aimed at facilitating the completion of approximately 1,00,000 housing units. These measures are expected to support supply-side completion and sustain credit demand over the medium term. In parallel, regulatory developments by the Reserve Bank of India remained instrumental in strengthening the housing finance ecosystem.

(Source: [ICRA](#), [Mordorintelligence](#), [The Economic Survey](#), [NHB](#))

Affordable Housing Finance Sector Overview

The affordable housing finance segment continues to be an important growth driver within the broader housing finance market, supported by rising urbanisation, increasing incomes, growing aspirations for home ownership and deeper lender penetration into underserved geographies. Typically characterised by housing loans with ticket sizes of up to ₹35 lakh, the segment remains one of the most structurally significant and underpenetrated parts of India's mortgage market, particularly among self-employed customers and borrowers with informal income profiles. It continues to account for a meaningful share of the overall housing credit ecosystem, representing ~32% of total loan outstanding and ~73% of active loan accounts, reflecting its relevance in expanding formal access to housing finance at the mass-market level.

The segment benefits from favourable structural drivers such as urbanisation, nuclearisation of families and continued policy support through priority sector classification and targeted housing initiatives. In addition, relatively lower loan-to-value risk and prudent underwriting practices have supported portfolio stability, notwithstanding the non-standardised income characteristics of the borrower base. As economic activity strengthened and housing demand improved across markets, affordable housing credit witnessed healthy expansion through FY23 and FY24. However, growth moderated in FY25 relative to the broader housing finance market, reflecting the impact of elevated interest rates for a significant part of the year, rising property prices and a calibrated tightening of underwriting standards across lenders.

Going forward, demand for affordable housing is expected to remain steady, supported by continued urbanisation, favourable demographics and focused lender penetration into underserved customer segments. As the segment matures and expands on a larger base, growth is expected to normalise at sustainable levels, with assets under management likely to stabilise at around 20% growth by FY27.

(Source: [Crisilratings](#), [CareEdge Rating](#))

Government Initiatives

Government support for affordable housing remains evident through continued focus on the Pradhan Mantri Awas Yojana. In the 2026-27 Union Budget, the government has significantly increased capital allocation for the PMAY 2.0 scheme, with PMAY-Gramin (Rural) allocations rising to ₹54,916.70 crore, from ₹15,000 crore in 2016-17. Additionally, ₹122.06 lakh houses have been sanctioned under the two phases of the Pradhan Mantri Awas Yojana-Urban (PMAY-U), of which 96.02 lakh have been completed/delivered to the beneficiaries across the country, reflecting steady implementations. PMAY-Urban 2.0 (U 2.0) was also officially launched, aiming for ₹1 crore additional houses and offering interest subsidies of up to ₹1.80 lakh spread equally across 5 years.

(Source: [PIB](#), [PIB](#))

Growth Drivers

Favourable demographics, regulatory advancements and a shift towards formal credit lending ensure the expansion of the Indian housing finance sector. Consequently, India's home mortgage finance market size in 2026 is estimated at US\$ 539.71 billion, and Tier-2 and Tier-3 cities recorded an 81% year-on-year growth in home loan volumes in 2025, significantly higher than the 52% growth seen in Tier-1 cities. This highlights a broader and more distributed housing finance cycle. Despite this improvement, the sector remains largely untapped compared to other economies, reflecting significant expansion opportunities.

(Source: [Urban Money Report](#), [Mordorintelligence](#))



Additionally, several factors are expected to drive this sector's expansion:

- **Urbanisation:** Rapid urbanisation continues to be a structural driver for housing demand in India. The share of the urban population has increased from 28% in 2001 to nearly 40% in 2021 and is projected to reach 41% by 2031, reflecting the continued migration of the population toward cities and emerging urban centres. This trend is broadening housing demand beyond metropolitan markets and supporting growth across Tier II and Tier III cities. As urbanisation deepens, the need for residential infrastructure, connectivity and organised housing finance is expected to remain strong, providing sustained momentum to the sector.
- **Government Policy for Affordable Housing:** Government policy continues to play an important role in supporting affordable housing demand and improving credit access. Initiatives such as PMAY-U and PMAY-G, priority sector lending norms for housing, GST rationalisation and stamp duty concessions for specific buyer categories have strengthened affordability and expanded formal access to home ownership. PMAY 2.0 also targets 30 million houses during 2024–2029, while revised priority sector lending limits have improved eligibility for affordable housing loans. These measures, together with regulatory support and refinance mechanisms, are expected to remain important enablers for the affordable housing ecosystem.
- **Rising Disposable Income:** Rising disposable income remains a key driver of housing demand, as improving household earnings enhance affordability, loan eligibility and the ability to purchase homes at an earlier stage of the life cycle. Further, with policy measures such as the relief of Income Tax to taxpayers and the 8th Pay Commission add to available disposable income. India's per capita net national income has continued to improve, and the number of middle-income households is expected to rise sharply to 181 million by FY2030. This expanding middle-income base is expected to support home ownership demand across both affordable and mid-income categories, while also deepening mortgage penetration over the medium term.
- **Infrastructure Development:** Infrastructure development continues to be a major catalyst for housing demand by improving connectivity, opening new residential corridors and enhancing the attractiveness of peripheral and emerging locations. In parallel, programmes such as the Smart Cities Mission, AMRUT and investments in digital and physical infrastructure are improving urban mobility and access to services. These developments are expected to support residential absorption and expand the addressable market for housing finance.
- **Housing Shortfall in India:** India continues to face a sizeable housing shortfall, which remains a key demand driver for the sector. The overall housing shortage is estimated at 61.5 million units in 2025 and is expected to rise to 64.0 million units by 2030, reflecting the continued gap between housing supply and underlying demand. The shortage is particularly acute in the affordable segment, where end-user demand remains structurally strong. This persistent deficit, coupled with rising household formation and urban migration, is expected to sustain long-term demand for both housing development and housing finance solutions.
- **Changing Housing Preferences and Lifestyle Shifts in Housing Demand:** Housing demand in India is increasingly being shaped by changing lifestyle preferences, nuclearisation of families and rising aspirations for improved living standards. Buyers are showing greater preference for ownership-led housing, better-quality homes and larger ticket sizes, particularly in Tier II and Tier III cities. The share of households living in pucca dwellings improved to 83.3% in 2018 from 74.6% in 2012, while the average ticket size in housing finance has also moved up over time, reflecting this quality shift. These evolving preferences are expected to continue supporting structural demand across the housing market.

(Source: [Worldbank](#), [Indiamanufacturingreview](#))

(Source: [Statista](#), [JLL](#))



COMPANY OVERVIEW

Aavas Financiers Ltd. (Aavas) is a well-recognised affordable housing finance company in India, primarily focused on extending affordable housing loans to low-and middle-income customers in semi-urban and rural areas. The Company has developed strong expertise in serving underserved segments across 13 states and 2 union territories. As of March 31st, 2026, Aavas operated through an extensive network of 435 branches and managed assets under management (AUM) of 23,452 crore.

Aavas remains a key player in advancing financial inclusion in the affordable housing segment, offering a diversified range of housing finance solutions, including loans for home construction, purchase, and renovation. Backed by a technology-led framework and a customer-centric approach, facilitates the Company to deliver quick TAT and a hassle-free borrowing experience.

With a strong presence in underserved rural and semi-urban markets, alongside a disciplined focus on asset quality, the Company has demonstrated consistent financial performance. Aavas is well-positioned to benefit from the growth in India's affordable housing sector, supported by government initiatives and ongoing urbanisation.

Aavas has built a differentiated franchise focused on self-employed, new-to-credit and new-to-mortgage customers across rural and semi-urban markets, where formal mortgage penetration remains relatively low. Approximately 60-65% of the Company's customer base comprises self-employed borrowers, reflecting its deep underwriting capabilities and specialised understanding of informal income assessment. Cumulatively till FY 2025-2026, the Company served over **4,05,000 families, reinforcing its commitment to financial inclusion and affordable home ownership across underserved rural and semi-urban markets.**



SCOT ANALYSIS

Strengths

- **Understanding of Niche Market:** Aavas' deep domain expertise in underserved semi-urban and rural markets creates a sustainable competitive moat, driving superior customer acquisition, consistent underwriting outcomes and durable franchise-led growth.

- **Institutionalised Underwriting Capabilities:** The Company has built a strong risk management framework with dedicated teams for underwriting, property valuation, legal checks and operational risk management. Supported by experienced professionals such as chartered accountants, civil engineers and legal experts, Aavas is able to effectively assess self-employed and informal income customers while maintaining strong asset quality and disciplined lending practices.
- **Pristine Asset Quality:** Supported by a strong underwriting framework, deep domain expertise, advanced data analytics and efficient collections, Aavas consistently delivers best-in-class, industry-leading asset quality across credit cycles, even amid adverse environments.
- **Strong Capital Adequacy:** Aavas maintains a healthy Capital to Risk (Weighted) Asset Ratio (CRAR), reflecting its financial resilience while supporting sustainable growth. Aavas has demonstrated strong capital efficiency by scaling its franchise nearly six times since its IPO without raising additional equity capital after FY18. This reflects the Company's prudent capital allocation, consistent profitability and disciplined balance sheet management.
- **Direct Sourcing and Vertical Organisation Structure:** Aavas' direct customer sourcing model enables better assessment of borrower intent and generation of granular insights across customer cohorts. Further, the vertically aligned organisational structure ensures independence in credit evaluation, thereby mitigating collusion risk and reinforcing underwriting discipline.
- **Technological Advancement:** The Company has executed a comprehensive technology transformation to strengthen governance, compliance and transparency akin to banks through the implementation of CBS like Oracle FLEXCUBE, while upgrades to the Loan Origination and CRM system via the Salesforce platform support scalable and efficient business growth.
- **Prudent Asset-Liability Management (ALM):** Aavas has a well-diversified liability franchise, with our average borrowing tenor being longer than asset maturity, ensuring a positive asset-liability profile across all time buckets.
- **Diversified Liability Franchise:** Aavas maintains a well-diversified borrowing mix across PSU banks, private banks, development financial institutions, mutual funds, insurance companies and securitisation markets. This diversified liability profile supports strong liquidity, competitive borrowing costs and access to long-tenor funding.

Challenges

- **Changing Interest Rate:** The Company's performance remains sensitive to interest rate volatility and evolving market conditions that may influence borrowing costs and funding dynamics; however, these risks are mitigated through a diversified funding mix, longer-tenor borrowings, active ALM management, prudent liquidity buffers and calibrated repricing strategies.
- **Macroeconomic Exposure:** Adverse movements in key macroeconomic indicators, including elevated inflation and erosion in purchasing power, may impact customer affordability and influence loan demand; however, these risks are mitigated through prudent customer selection, conservative loan-to-value ratios, product affordability filters and calibrated credit underwriting.

Opportunities

- **Expanding into Southern India:** Aavas is expanding its presence in the southern region, which represents a meaningful whitespace opportunity. Building on the operational experience in Karnataka and a contiguous expansion strategy, Aavas has extended its footprint into Tamil Nadu with 20 branches in FY26 and plans to further scale its presence across neighbouring southern states in a calibrated manner.
- **Policy Support:** Government initiatives such as Pradhan Mantri Awas Yojana 2.0 (PMAY 2.0), Interest Subsidy Scheme (ISS), PM Surya Ghar Yojana and revised Priority Sector Lending (PSL) norms are likely to drive enhanced demand for affordable housing finance.
- **Rising Urbanisation and Disposable Income:** Rapid urbanisation and rising disposable incomes are expanding housing demand beyond metros, with India's urban population nearing 40% and a growing middle-income base supporting sustained home ownership and mortgage penetration.
- **Digital & Technological Transformation:** Increased adoption of digital platforms and artificial intelligence is enabling improved customer sourcing, streamlined business processes, enhanced credit evaluation and more effective customer engagement.
- **Shortfall in Housing:** India's housing deficit remains a key demand driver, with shortages estimated at 61.5 million units in 2025, rising to 64.0 million by 2030, particularly acute in the affordable segment, sustaining long-term housing finance demand.

Threats

- **Competitive Intensity:** Increasing competition from banks and other housing finance companies may exert pressure on yields and margins.
- **Economic Volatility:** Any slowdown or fluctuation in the economic environment could adversely impact loan disbursement and asset quality.
- **Evolving Regulations:** Ongoing changes in policies and regulatory requirements may create higher compliance obligations and complexities.
- **Portfolio Exposure Risk:** Exposure to economically sensitive customer segments may pose challenges in sustaining asset quality and managing credit risk.



PERFORMANCE REVIEW 2025-26

Financial Performance

Particulars	FY2025-26 (₹ in Crore)	FY 2024-25 (₹ in crore)
Total Income	2,684.83	2,358.42
Total Expense	1,844.40	1,625.83
Profit Before Tax	840.44	732.59
Profit After Tax	655.59	574.11
Earnings Per Share		
Basic (Rs.)	82.72	72.54
Diluted (Rs.)	82.14	71.97

Assets under Management

The company's Assets under Management (AuM) has crossed the ₹20,000 crore milestone this year. In FY 2025-26, our AUM grew by 15% YoY at ₹23,452 crores.

Income and Profits

Total income of the Company for the year ended March 31, 2026, was ₹2,684.83 crores compared to ₹2,358.42 crore in the previous year, growing 14% YoY.

Statement of Profit and Loss

Key highlights of the Statement of Profit and Loss for the year ended March 31, 2026, were:

- Total Profit after tax (PAT) increased by 14% to ₹656 crore in the current year from ₹574.3 crore in the previous year.

- The spread and Net Interest Margin (%) for the year stood at 5.20% and 7.93%, respectively.
- Total Net Income stood at ₹1,579.7 crores, growth of 17.7%.
- Total expenses increased 13% during the year under review.
- The Company's Operating Expenses Ratio (to average total assets) stood at 3.54% for the year ended March 31, 2026.
- The Company's Return on Average Total Assets (ROA) stood at 3.29% for the year ended March 31, 2026.
- Return on average Net Worth was 13.93%.
- The Operating Leverage (Average Total Asset to Average Equity) stood at 4.23x for FY 2025-26.

Operational Performance

Aavas operates a retail-focused affordable housing Finance company, offering housing loans to low-and middle-income individuals and families for home purchase, construction, and renovation. Additionally, through its MSME-oriented lending portfolio, the Company supports small businesses, contributing to financial inclusion and grassroots economic development.

A substantial share of the Company's loan portfolio is directed towards financing the purchase and construction of single-unit, self-occupied residential properties. A large segment of Aavas' customer base comprises borrowers who typically have limited or no access to formal mortgage financing from traditional bank credit.

The Company continues to maintain a strong focus on first-home ownership financing, particularly in underserved rural and semi-urban geographies. A significant proportion of customers are transitioning from informal or semi-permanent housing structures to formal pucca housing, reinforcing Aavas' role in driving financial inclusion and long-term socio-economic value creation.

Loan products

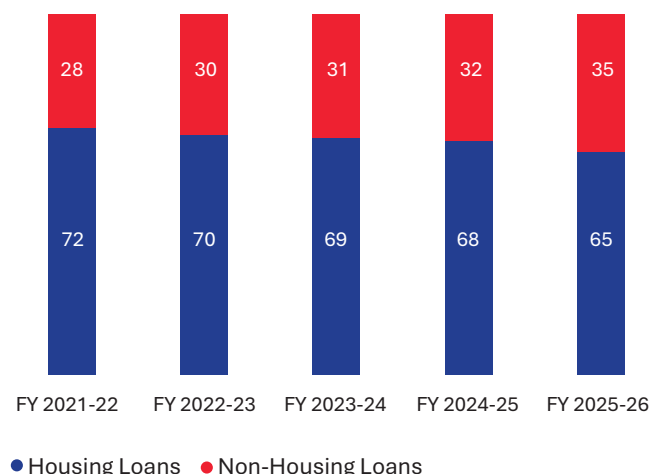
Aavas Financiers Ltd. provides a range of housing finance solutions, such as loans for the purchase and construction of residential properties, alongside extension and renovation purposes. As of March 31, 2026, these housing loans constituted 65% of the total loan assets.

Beyond core housing finance, the Company also extends loans against property and MSME-focused financing, which together accounted for the remaining 35% of the total loan assets during the same period.

A significant portion of the portfolio remains directed towards financially underserved areas. As of March 31, 2026, customers

belonging to the economically weaker section (EWS) and low-income group (LIG), with monthly incomes below ₹50,000, contributed 54% of the total loan assets.

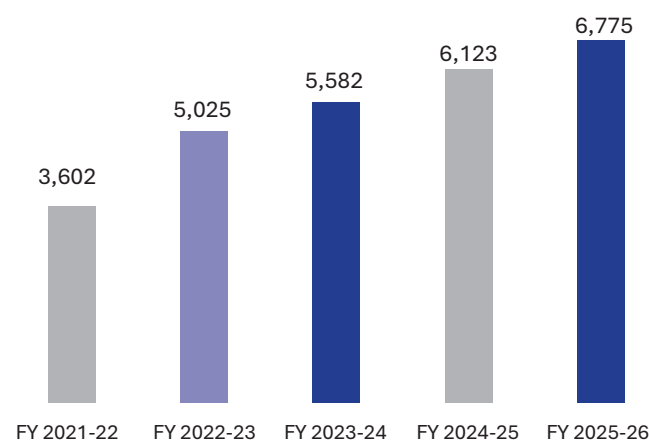
Loan Products (%)



Disbursements

During the year, the Company disbursed ₹6,775.1 crores in mortgage loans, an 11% increase over ₹6,123 crores the year before. As of March 31, 2026, the total amount of loans disbursed since inception is ~ ₹40,900 crore.

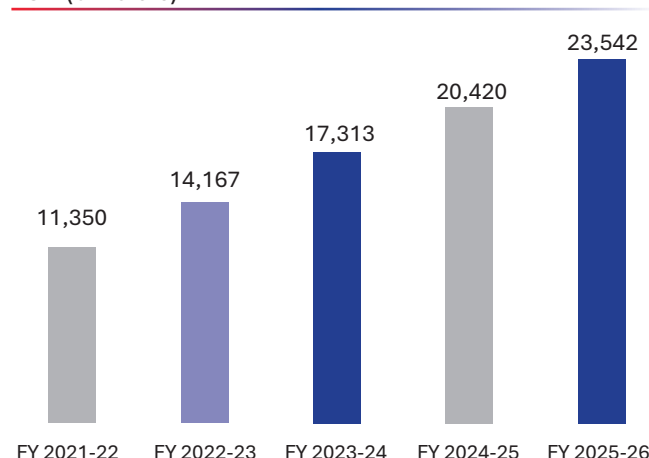
Disbursements (₹ in Crore)



Assets under Management (AUM)

As of March 31, 2026, the Company's Assets Under Management (AUM) reached ₹23,452 crores, reflecting a 15% increase compared to ₹20,420 crores in the previous financial year. The active loan count as on March 31, 2026 was 2,70,852.

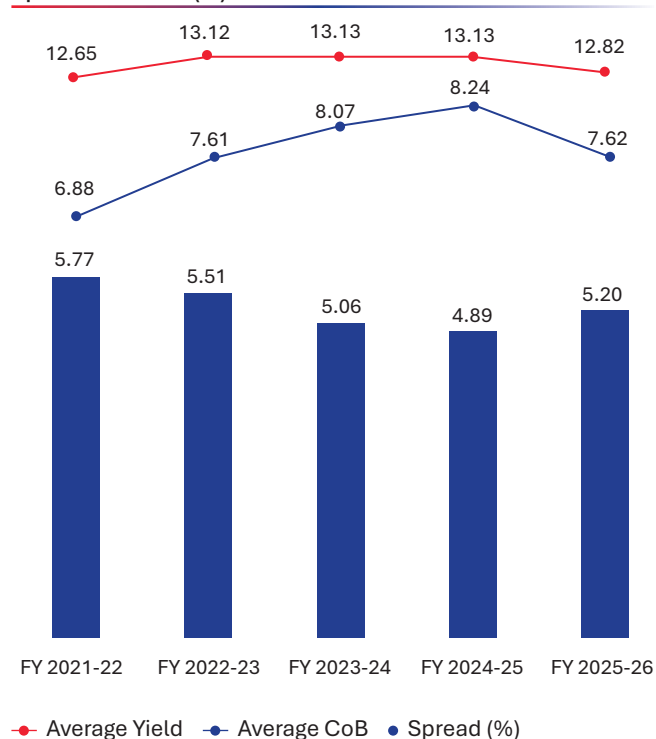
AUM (₹ in crore)



Spread on loans

As of March 31, 2026, the average yield on loan assets stood at 12.82% per annum. The cost of funds as of Mar-26 was 7.62% per annum, compared to 8.24% as of March 31, 2025. This resulted in a loan spread of 5.20% as of March 31, 2026.

Spread on Loans (%)



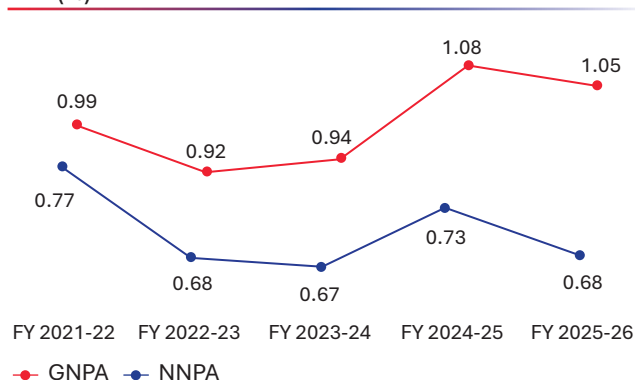
Non-performing assets (NPA)

Aavas has the best-in-class asset quality, with 1+DPD at 3.17%, the lowest among peers. As of March 31, 2026, the Company's Gross NPAs stood at ₹194 crore (1.05% of loan assets) as compared to ₹176 crore (1.08%) as of March 31, 2025. Aavas has established a robust framework for managing loan delinquencies, strengthened by periodic portfolio

monitoring and a structured policy framework. These are aimed at the effective resolution of overdue accounts, ensuring timely collections.

This proactive approach has resulted in a Gross NPA ratio of 1.05% and a Net NPA ratio of 0.68% as of March 31, 2026, compared to 1.08% and 0.73%, respectively, as of March 31, 2025. The credit cost for FY 2025-26 stood at ₹33.72 crore bps, improving 24.3% over FY 2024-25, reinforcing our underwriting strength.

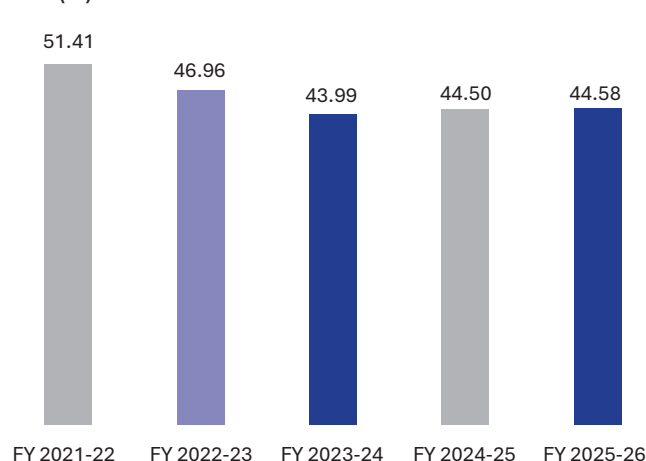
NPA (%)



Capital adequacy ratio (CAR)

The Company maintained a strong Capital Adequacy Ratio of 44.6% as on March 31, 2026, compared to 44.5% as on March 31, 2025, and significantly exceeded the regulatory minimum of 15%.

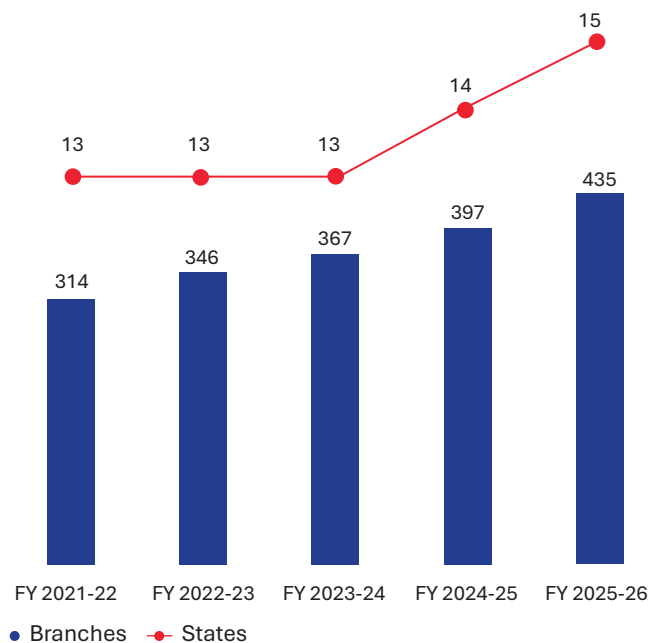
CAR (%)



Branch network

Aavas has continued to reinforce its physical footprint through a strategy of contiguous, on-ground expansion across key geographies. As of March 31, 2026, the Company operated a network of 435 branches across 13 states and 2 union territories, with a strong presence in Rajasthan, Gujarat, Maharashtra, and Madhya Pradesh. The Company's registered office is situated in Jaipur, Rajasthan. During FY 2025-26, Aavas further expanded its reach by adding net 38 new branches to its network.

Branch Network



Outlook

The outlook for Aavas Financiers Ltd. remains positive, supported by a strengthening macroeconomic environment and favourable policy. Recent structural reforms, improving liquidity conditions, and a stable interest rate scenario are expected to enhance credit availability and support demand for affordable housing. Additionally, continued government focus on Tier II and Tier III city development and initiatives such as PMAY 2.0 are likely to create growth opportunities in the Company's core operating segments.

Looking ahead, FY27 should be a year of strong recovery, with transformation initiatives and incremental investments in branch expansion to drive growth. With a stable operating environment and a stronger platform in place, we are targeting around 20%+ growth in disbursements in FY27, while continuing to build a resilient, high-quality franchise.

Aavas continues to reinforce its distribution network, with plans to deepen its presence in existing geographies and expand into new regions through a branch expansion strategy. The Company's digital channels, CSC and eMitra, would meaningfully contribute in the coming fiscal. The Company plans to add about 30-40 branches, deepening its presence in Tier II and III markets through the RRO model, converting them into cost-efficient and self-sustaining branches to increase geographical reach. Expansion efforts are expected to remain focused on high-potential markets such as Uttar Pradesh, Gujarat, Tamil Nadu and other emerging regions. The Company aims at deepening penetration, leveraging its asset quality track record, and scaling operations through branch expansion in Uttar Pradesh. The Company expects ticket size expansion to remain a structural growth driver as customers increasingly

invest in aspirational housing with improved layouts, multiple amenities and better construction quality across semi-urban and rural markets.

Aavas Financiers Ltd. remains well-positioned, supported by capital adequacy, a diversified funding base, and a declining cost of funds. The Company's disciplined underwriting and focus on asset quality are expected to support credit performance, while emphasis on technology and operational efficiency will drive profitable growth. The Company also expects technology-led efficiencies, data analytics, and AI-enabled processes to further improve turnaround time, customer experience, operating leverage and long-term profitability.



ENVIRONMENTAL, SOCIAL & GOVERNANCE

Aavas Financiers Ltd. integrated Environmental, Social and Governance (ESG) principles into its core business operations. The Company aligns its ESG framework with globally recognised standards such as CDP, the United Nations Sustainable Development Goals, and the Global Reporting Initiative, with independent review and mapping support from Churchgate Partners. ESG disclosures are published on the Company's website, and the Business Responsibility and Sustainability Report (BRSR) forms part of the annual report in compliance with Securities and Exchange Board of India regulations. Crisil has assigned a strong rating to the company, while Aavas has scored 'Medium' in Sustainability Economics, reflecting its standing among peers. A dedicated CSR and ESG committee oversee ESG initiatives, and the Company has voluntarily adopted BRSR Core Assurance.

The Company continues to foster an inclusive workplace through initiatives such as the 'Udaan' Leadership Development Programme, alongside targeted training interventions for women employees. Aavas has also introduced progressive policies, such as monthly menstrual leave and self-defence training, to support employee well-being and empowerment. The Company had also raised India's first social masala bond focused on women's empowerment, reflecting its broader commitment towards sustainable and socially responsible financing initiatives.

On the environmental front, Aavas collaborates with the International Finance Corporation to promote self-constructed green housing, facilitating the development of over 300 EDGE-certified green homes, and has received recognition from ASSOCHAM. Moreover, its 'Project Gati' initiative improves operations and customer experience by streamlining loan processing and documentation requirements.

Aligned with our commitment to advancing sustainable housing, we added over 300 certified Green Homes during FY26, taking the cumulative total to over 650 green homes. This initiative highlights the Company's commitment to sustainable development and responsible business practices.



HUMAN RESOURCE

Aavas considers its workforce to be a critical pillar of its success, with a team with diverse skill sets and domain expertise, enabling business operations. The Company places significant emphasis on employee development and well-being, fostering a balanced work environment and a culture evolving in line with changing workplace expectations. As of March 31st, 2026, Aavas had a total of 7,649 employees.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal financial control framework of Aavas Financiers Ltd. is designed to ensure the accuracy, compliance, and reliability of its financial reporting with applicable accounting standards. The Company has established well-defined policies and procedures that provide reasonable assurance related to the integrity of financial information. These controls

encompass the maintenance of accurate and complete records of transactions and asset movement, ensuring that all transactions are daily authorised and recorded in accordance with established guidelines and safeguarding assets to prevent or promptly detect any unauthorised use, acquisition, or disposition.

The Company has instituted a robust internal control mechanism, led by an independent assurance function and supplemented by external experts, where required. This program undertakes risk-based evaluations to assess adherence to internal policies and procedures. The Audit Committee reviews and approves the annual audit plan and is regularly apprised of key audit observations and recommendations. Appropriate corrective actions are tracked and implemented to strengthen the overall control environment.



CAUTIONARY STATEMENT

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

Directors' Report

Dear Shareholders,

The Board of Directors of your Company ("the Board") is pleased to present the 16th Annual Report of Aavas Financiers Limited ("the Company" / "Aavas" / "Your Company"), showcasing the operational achievements, financial performance, and strategic developments for the Financial Year ended March 31, 2026, together with the Audited Financial Statements.

The Board is pleased to report that Financial Year 2025–26 was a landmark year for the Company marked by the **seamless transition of promoter ownership** from Partners Group and Kedaara Capital to Aquilo House Pte. Ltd. part of the CVC Network, following the completion of the Share Purchase Agreements and open offer Transaction in June 2025, ensuring continuity of operations and reinforcing investor confidence. The closure of this transaction positions the Company for sustainable growth, strengthened governance, and long-term stability.

The Board of Directors of your Company ("the Board") is pleased to inform that, during the year under review, the Company's credit rating outlook was upgraded from Stable to Positive by both ICRA Limited and CARE Ratings Limited, reflecting the Company's robust financial performance, strengthened asset quality, prudent risk management practices, and consistent growth trajectory. This upgrade also underscores the confidence reposed by these rating agencies in the Company's business model, operational resilience, and its ability to sustain improved financial metrics going forward.

COMPANY BACKGROUND

Aavas is committed to enabling home ownership and entrepreneurial growth for families and small businesses across India. Its offerings include affordable housing loans, purchase construction loans, repair & renovation loans, loans against property, and MSME loans, designed to meet the aspirations of customers who often operate outside the formal income system.

Aavas operates as a Housing Finance Company ("HFC"), registered with the National Housing Bank ("NHB"). Its activities are regulated by the Reserve Bank of India ("RBI") under NHB's supervision, ensuring that every aspect of the Company's lending practices is guided by strong governance, compliance, and transparency. This regulatory foundation not only strengthens operational discipline but also reinforces customer trust, positioning Aavas as a secure and credible partner in affordable housing finance.

By adhering to NHB's regulatory framework and RBI's guidelines, Aavas not only safeguards the interests of its customers but also reinforces its commitment to responsible lending. With 435 branches across 13 states and 2 union territories, Aavas continues to strengthen its presence in emerging markets. This extensive reach ensures that customers benefit from proximity, accessibility, and reliable service delivery, reinforcing the Company's position as a leading player in affordable housing finance.

FINANCIAL PERFORMANCE AT A GLANCE

The Financial Performance for Financial Year 2025–26 is presented below in a concise summary table:

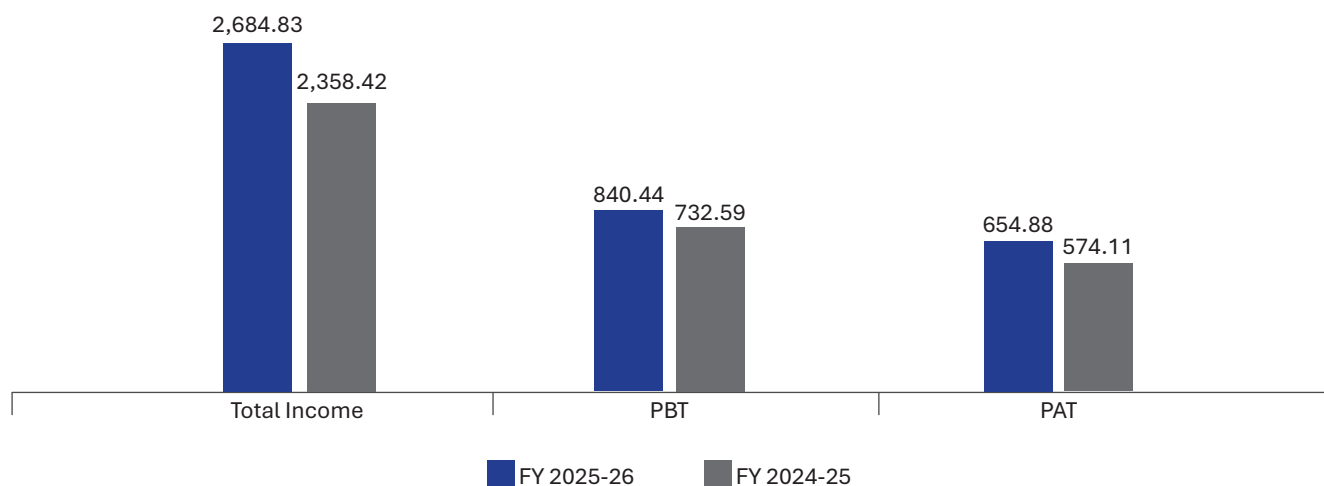
		(₹ in crore)	
Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
A	Total Income	2,684.83	2,358.42
	Less:		
	Total Expenditure before Depreciation & Amortization and provision	(1,767.56)	(1,562.25)
	Impairment on financial instruments	(33.72)	(27.12)
	Depreciation & Amortization	(43.11)	(36.45)
B	Total Expenses	(1,844.39)	(1,625.83)
C	Profit Before Tax (A-B)	840.44	732.59
D	Less: Provision for Taxations (Net of Deferred Tax)	(185.56)	(158.48)
E	Profit After Tax (C-D)	654.88	574.11
F	Add: Other Comprehensive Income (Net of Tax)	0.71	0.24
G	Total Comprehensive Income (E+F)	655.59	574.34
H	Transfer to Statutory Reserve	131.12	114.87

The figures presented above have been drawn from the Company's financial statements, prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Sections 129 and 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and other applicable provisions of the Companies Act, 2013. Detailed financial statements are available in a dedicated section of this Annual Report.

Key Financial Benchmarks of the Company for the Financial Year 2025-26

During the Financial Year 2025-26, your Company demonstrated sustained growth in income, reflecting its robust business model, prudent financial management, and continued focus on expanding its housing finance portfolio. The Company's income expansion underscores its ability to scale operations while maintaining financial stability and compliance with regulatory frameworks.

(₹ in crore)



Income Growth Momentum Continues

Your Company's Total Income for the Financial Year 2025-26 ascended to ₹2,684.83 crore as compared to ₹2,358.42 crore in the previous Financial Year.

Operating & Earning Strength

For the year under review, the PBT increased to ₹840.44 crore against ₹732.59 crore in the previous Financial Year.

Moreover, the PAT closed at ₹654.88 crore during the year as compared to ₹574.11 crore in the previous Financial Year, reflecting a year-on-year growth, driven by prudent financial management.

DIVIDEND

Your Company remains committed to building sustainable long-term value for its Stakeholders. In view of the Company's growth aspirations and the need to further strengthen its financial base, the Board of Directors has not recommended any dividend for the Financial Year under review.

The profits generated during the year are proposed to be retained within the business to support future expansion, reinforce the balance sheet and enhance the Company's ability to capitalize on growth opportunities.

The Company has in place a Dividend Distribution Policy which lays down the framework for declaration and distribution of dividend. The Policy has been formulated in compliance with

Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") and the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025 and Reserve Bank of India (Housing Finance Companies) Directions, 2025. The Policy is available on the website of the Company at <https://www.aavas.in/img/pdf/dividend-distribution-policy.pdf> and forms part of this Annual Report as 'Annexure-5'.

CAPITAL STRUCTURE: EQUITY BALANCE AND DEBENTURE COMPOSITION

Authorized Capital

The Authorized Share Capital of the Company stands at ₹85,00,00,000/- (Rupees eighty five crore only) divided into 8,50,00,000 (Eight crore fifty lakh) Equity Shares of ₹10/- (Rupees ten only) each as on March 31, 2026.

Issued, Subscribed & Paid-up Capital

At the beginning of the Financial Year under review, the issued, subscribed and paid-up share capital of the Company was ₹79,15,36,650/- (Rupees seventy nine crore fifteen lakh thirty six thousand six hundred and fifty only) divided into 7,91,53,665 (Seven crore ninety one lakh fifty three thousand six hundred and sixty five) Equity Shares of Face Value ₹10/- (Rupees ten only) each.

During the year, the Company allotted 1,29,078 (One lakh twenty nine thousand and seventy eight) Equity Shares of face value of ₹10/- (Rupees ten only) each pursuant to exercise of employee stock options by the eligible employees of the Company under Equity Stock Option Plans (“ESOPs”) and Performance Stock Option Plans (“PSOPs”) of the Company.

Accordingly, the issued, subscribed and paid-up share capital of the Company as at the end of Financial Year, increased and stood at ₹79,28,27,430 (Rupees seventy nine crore twenty

eight lakh twenty seven thousand four hundred and thirty only) divided into 7,92,82,743 (Seven crore ninety two lakh eighty two thousand seven hundred and forty-three) Equity Shares of Face Value ₹10/- (Rupees ten only) each.

The equity shares of the Company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) and continue to be traded on both the Stock Exchanges throughout the Financial Year, without any suspension.

Debentures

The Company has issued secured non-convertible debentures as part of its borrowing policy, including debentures listed on BSE Limited as well as certain unlisted debentures. The details of the secured debentures outstanding as at March 31, 2026 are given below:

(₹ in crore)

Sr. No	ISIN	Date of allotment	Outstanding Amount	Listed/Unlisted	Stock Exchange
1.	INE216P07175	30-03-2020	136.74	Unlisted	-
2.	INE216P07217	26-11-2021	99.00	Listed	BSE Limited
3.	INE216P07225	25-03-2022	20.00		
4.	INE216P07233	20-07-2023	75.00		
5.	INE216P07241	29-10-2024	630.00		
6.	INE216P07258	15-01-2025	100.00		
7.	INE216P07266	15-01-2025	100.00		
8.	INE216P07274	28-04-2025	100.00		
9.	INE216P07282	28-04-2025	100.00		
10.	INE216P07290	26-06-2025	170.00		
Total			1,530.74		

Note: During the year, ISIN INE216P07209 was fully redeemed on December 31, 2025.

During the year, your Company has issued debentures exclusively for the deployment of funds on its own balance sheet and not to facilitate resource requests of group entities/ parent company/ associates.

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

The Company has transferred a sum of ₹131.12 crore, to reserve fund which is in compliance with Section 29C of the National Housing Bank Act, 1987 wherein every Housing Finance Companies (“HFCs”) are required to transfer a sum not less than 20% of their net profit every year to their reserve fund before declaration of any dividend.

COMPANY OPERATIONS AND STRATEGIC PROGRESS

Operating at the forefront of India’s affordable housing finance ecosystem, your Company continues to strengthen its role as a trusted financial partner for aspiring homeowners across the country.

With a clear strategic focus on expanding access to housing finance for underserved, low to middle income and emerging segments, the Company remains committed to bridging the credit gap for individuals who are often outside the ambit of formal banking channels. In pursuance of which, Aavas offers 'Small Ticket Size ("STS") Loan' which is one-stop solution to fulfil small financial needs.

With a thriving community of 2.71 Lakh active customers and cumulative loan disbursements reaching ₹40,862 crore by March 31, 2026, your Company continue to set new benchmarks for institutional growth and social impact.

Over the years, the Company has steadily expanded its geographical presence and operational footprint across India. As of March 31, 2026, Aavas operates an extensive branch network of 435 branches across 13 states and 2 union territories and during the year, the Company has added net 38 Branches.

Comprehensive insights into the Company’s operational dynamics and its state of affairs are elaborated in the “Management Discussion and Analysis Report” which is an integral component of this Annual Report.

During the year, your Company delivered a resilient and high-growth performance, characterized by robust operational execution as evidenced by the financial highlights summarized below:

Loan Sanctions

- The total Loan Sanctions of the Company reached at ₹6,989.70 crore as at March 31, 2026, reflecting a steady 12% year-on-year growth over the previous year's figure of ₹6,240.53 crore.
- Cumulative loan sanctions since inception, have scaled to ₹42,290.95 crore as of March 31, 2026 and the Company has not granted any loan against the collateral of Gold Jewellery and loan against shares during the year.

Loan Disbursements

- The total housing loan disbursement reached at ₹6,775.09 crore as at March 31, 2026 compared to ₹6,123.01 crore in the previous Financial Year registering an annual growth of 11%.
- The cumulative loan disbursement since inception as at March 31, 2026 was ₹40,862 crore.

Assets Under Management ("AUM")

- Driven by a robust expansion in our lending segments, the Company's AUM reached a high of ₹23,451.71 crore (including assignment and PTC of ₹5,911.58 crore) as of March 31, 2026. This represents a resilience of 15% year-on-year growth from ₹20,420.18 crore (including assignment and PTC of ₹4,529.17 crore).
- The Company continues to prioritize a diversified and granular risk profile. As of March 31, 2026, our average ticket size for sanctioned loans was maintained at ₹10.2 lakh, with a weighted average tenure of 184 months on an origination basis, ensuring long-term yield stability and reduced concentration risk.

The Company further confirms that throughout the Financial Year under review, there were no alterations/changes in

the core operations or activities or nature of the business of the Company.

Capital Adequacy and Liquidity Coverage

- Your Company continues to maintain a fortified capital position, with the Capital Adequacy Ratio ("CRAR") strengthening to 44.56%. This high ratio significantly surpasses the 15% statutory threshold mandated by the RBI Master Directions, providing the Company with substantial leverage for future growth.
- Reflecting a commitment to prudent cash flow management, the Liquidity Coverage Ratio ("LCR") stood at 147.71% as of March 31, 2026. This comfortably exceeds the regulatory requirement of 100%.

Non-Performing Assets ("NPA")

The Company maintains a proactive and stringent approach to risk management, ensuring the long-term health of our credit portfolio through advanced monitoring and early intervention.

Your Company remains fully compliant with Ind AS concerning the classification and provisioning of Stage-3 Assets ("NPA"). Asset classification is rigorously determined based on expected performance models, with Exposure at Default ("EAD") encompassing the total outstanding amount, inclusive of accrued interest, as of the reporting date.

Through a combination of granular monitoring, early-warning signals and swift remedial actions, the Company continues to safeguard its portfolio integrity. This multi-layered risk framework allows us to identify and address potential stress points before they escalate.

As at March 31, 2026 Gross Non-Performing Assets ("GNPA") and Net Non-Performing Assets ("NNPA") were recorded at 1.05% and 0.68% respectively, compared to 1.08% and 0.73% in the preceding Financial Year. This performance reflects our resilient collections mechanism and disciplined underwriting standards amidst a dynamic credit environment.

RATINGS OF THE COMPANY- HIGHLIGHTING GROWTH & RESILIENCE

Credit Rating

As at March 31, 2026, the Credit Ratings assigned by Credit Rating Agencies are as under:

Sr. No.	Rating Agencies	Long Term Bank Facilities Rating	NCD Rating	Commercial Paper Rating/Short Term Debt	Outlook
1.	ICRA Limited	AA; Positive	AA; Positive	A1+	Positive
2.	CARE Ratings Limited	AA; Positive	AA; Positive	-	Positive
3.	India Ratings and Research Private Limited	-	-	A1+	-

During the Financial Year under review, the Company's credit rating outlook has been revised from 'Stable to Positive' by ICRA and CARE Limited. A comprehensive overview of the Company's credit ratings, is available on the website of the Company at <https://www.aavas.in/investor-relations/credit-rating>.

Environmental, Social, and Governance (“ESG”) Rating

The Company has gained notable recognition in the field of ESG practices, demonstrating its steadfast dedication to sustainability. The Company’s below ESG ratings illustrate its strong performance and commitment to sustainability metrics:

Sr. No.	Rating Agencies	Ratings
1.	S&P Global	35
2.	Morningstar (Sustainalytics)	23.9 (Medium Risk)
3.	CRISIL ESG Ratings & Analytics Limited	64 (Strong)
4.	ESG Risk Assessments and Insights Limited	67 (Strong)
5.	NSE Sustainability Ratings & Analytics Limited	71 (Aspiring)
6.	SES ESG Research Private Limited	77.7 (Medium)
7.	CFC Finlease Private Limited	82 (Excellent)

*Morningstar (Sustainalytics) ratings assess risk, where a lower risk rating indicates a better rating.

The Company has not engaged with any ESG Rating Provider for rating. They have independently assigned the rating on the basis of Company's disclosures and other publicly available data. For more details on ESG ratings, kindly visit to website of the Company at <https://www.aavas.in/esg>.

REGULATORY & STATUTORY COMPLIANCES

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

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

Further, the Company aligns itself with the Income Tax Act, 1961 and Goods and Services Tax Act (“GST”) and diligently observes all other applicable statutory and regulatory requirements to maintain robust compliance and governance standards.

Compliance with Directions/ Guidelines of RBI / NHB and other statutes

During the Financial Year 2025-26, your Company has operated within a robust compliance framework and has complied with all applicable regulations, directions, guidelines and circulars

issued by statutory and regulatory authorities governing Housing Finance Companies.

Your Company has complied with Reserve Bank of India (Housing Finance Companies) Directions, 2025 including any amendments made thereto from time to time. During the Financial year, your Company has ensured adherence to circulars issued covering areas such as periodic updation of KYC, use of the 1600 number series for customer communications, levy of prepayment charges on business purpose loans extended to individuals and MSMEs, and other governance and prudential norms applicable to Housing Finance Companies.

The RBI, vide Press Release No. 2025-26/1588 dated November 28, 2025, issued 244 Consolidated Master Directions administered by the Department of Regulation, covering 11 categories of regulated entities. These directions rationalised the regulatory framework by issuing 35 directions applicable to Non-Banking Financial Institutions while repealing and withdrawing 9,445 existing circulars. The Company has carefully examined the relevant Master Directions and has made necessary alignments to its internal policies and practices to ensure continued regulatory compliance.

Insurance Regulatory and Development Authority of India (“IRDAI”) Compliance

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

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

DEPOSITS

Your Company being a non-deposit taking HFC has not solicited, accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance Deposits) Rules, 2014 during the Financial Year under review. Hence, the requirement

for furnishing the details relating to deposits covered under Chapter V of the Companies Act, 2013 and in terms of RBI (Housing Finance Companies) Directions 2025 read with paragraph 58 and 59 of Reserve Bank of India (Non-Banking Financial Companies - Acceptance of Public Deposits) Directions, 2025 are not applicable to the Company.

AWARDS AND RECOGNITION

During the year under review, your Company continued to earn widespread recognition across Corporate Social Responsibility, Information Technology, Environmental, Social and Governance ("ESG"), and Brand & Corporate achievements. These accolades reflect the Company's unwavering commitment to excellence, innovation, sustainability, and Stakeholder value creation. The key recognitions received during the year are outlined below:

Sr.No.	Category	Awards/Recognitions
1.	Product Innovation	Honored with Product Innovation by National Housing Bank in Housing & Housing Finance Excellence Awards 2025.
2.	Corporate Social Responsibility	- Recognized as Road Safety Leader - Honored with Childcare Champion Award – India Childcare Awards 2025 presented by FORCES & Mobile Creches - Honored with ET Rajasthan Business Awards (CSR Initiative of the Year) - Honored with Best Environment Safety Initiative of the Year 2025 – Indian CSR Awards 2025 - Honored with Best CSR Award at NBFC Tomorrow Conclave & DNA Awards 2025 by Banking Frontiers
3.	Information Technology	Recognized as the Finalist for Innovation in Enterprise Solution at the 16th Aegis Graham Bell Awards ("AGBA") for Innovation
4.	Environmental & Social Governance	Recognized as 2nd Runner-up for Tulsi Award
5.	Brand & Corporate Achievements	- Honored with ET Now Best Brands Awards - Recognized as "Great Place To Work" Certified organization

RESOURCE MOBILIZATION

Your Company has in place a well-defined borrowing framework approved by the Board of Directors, which is periodically reviewed to ensure alignment with the Company's strategic and operational objectives. Guided by this framework, the Company maintains a structured liability profile aimed at optimizing the cost of funds while ensuring adequate liquidity and financial flexibility to support the growth of its lending operations.

Additionally, the Company continues to explore opportunities for responsible and sustainable sources of funding that align with its broader commitment towards inclusive housing finance and long-term economic development.

Further, reinforcing its disciplined capital management framework and in compliance with pursuant to Section 180(1)(c) of the Companies Act, 2013, the Shareholders of the Company, through a Special Resolution passed on September 16, 2025, have authorized the Board of Directors (including Committees of the Board) to borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the paid-up share capital, securities premium and free reserves of the Company,

subject to an overall borrowing limit of ₹32,000 crore (Rupees thirty two thousand crore only).

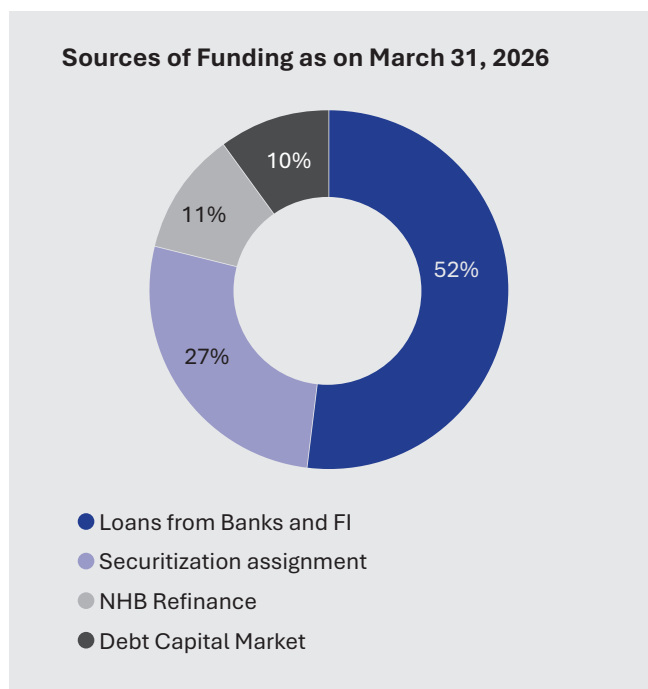
Strategic Performance Metrics showing borrowing profile and liquidity resilience of the Company :

Key Indicators	For the Year ended March 31, 2026	For the Year ended March 31, 2025
Weighted Average Borrowing Cost (Including Securitization/ Assignment)	7.62%	8.24%
Liquidity Coverage Ratio (Regulatory Requirement of 85%)	147.71%	128.12%
Liquidity Position (Including FD's)	₹1,843.30 crore	₹1,559.63 crore

Diversified Funding Sources

The Company mobilizes resources through a diversified mix of funding instruments and borrowing avenues, enabling it to efficiently access capital under varying market conditions.

During the year under review, our sources of funding were substantially in the form of Long-Term Loans from Banks and Financial Institutions (52%), followed by Securitization/ Direct assignment (27%), NHB Refinance (11%) and Debt capital market (10%).



Term Loans from Banks and Financial Institutions

As at March 31, 2026, the Company obtained fresh loan sanctions of ₹4,000 crore, against the availed loans amounting to ₹3,650 crore. Accordingly, the outstanding balance of term loans from banks and financial institutions stood at ₹10,624 crore (excluding PTC and CC), with an average tenure of approximately 9 years.

Co-Lending/Securitization/Assignment of Loan Portfolio

The Company has continued to leverage opportunities in the co-lending, securitization and direct assignment markets, enabling it to strengthen liquidity, broaden its liability base and mitigate asset-liability mismatches.

During the year under review, your Company received purchase consideration of ₹1,677 crore from assets assigned under transfer of loan portfolio transactions, received purchase consideration of ₹496 crore from PTC transaction and raised ₹200 crore through co-lending of loan portfolio.

These portfolio transfer and co-lending transactions were undertaken in compliance with the guidelines issued by the RBI, and the related assets were derecognized from the

Company's financial statements in accordance with the applicable regulatory and accounting framework.

Refinance from National Housing Bank ("NHB")

The Company, during the Financial Year, received NHB refinance aggregating to ₹295 crore. As on March 31, 2026, total outstanding balance of refinance from NHB stood at around ₹2,186 crore.

Non-Convertible Debentures ("NCDs")

During the Year, the Company has mobilised funds through issue of Non-Convertible Debentures amounting to ₹400 crore. In pursuance to which, the total outstanding NCDs of the Company has reached at ₹1,530.74 crore as at March 31, 2026 as compared to ₹1,317 crore in the previous year.

Moreover, the composition of the NCD portfolio of your Company reflects a diversified lender base, with Financial Institutions ("FI") constituting 33%, Development Financial Institution ("DFI") 50%, and Scheduled Commercial Banks ("SCB") 17% of the total outstanding, as against FI – 23 %; DFI – 65 % and SCB- 12 % respectively, in the previous year.

Commercial Papers

During the Financial Year under review, your Company issued Commercial Papers amounting to ₹200 crore, which was fully utilized for the object as stated in the Offer Document. As on March 31, 2026, the Company's Commercial Paper outstanding is ₹200 crore (Maturity Amount).

Further, no other short-term instruments were issued in the Financial Year 2025-26.

Rupee Denominated External Commercial Borrowing

The Company continues to diversify its funding profile through Rupee Denominated External Commercial Borrowings, including Masala Bonds, thereby strengthening access to offshore capital while mitigating currency risk.

As at March 31, 2026, the total outstanding balance under Rupee Denominated External Commercial Bond was ₹270 crore. The Company has maintained a disciplined approach towards servicing its obligations, with all interest payments on NCDs and Masala Bonds being duly paid on due dates, without any instances of delay or unclaimed amounts. Further, during the year, the company has fully redeemed masala bond of ₹200 Crore.

In line with applicable regulatory provisions, being a listed HFC, the requirement for creation of Debenture Redemption Reserve ("DRR") is not applicable. Further, the stipulation to invest or deposit a sum of not less than 15% of the amount of debentures which are maturing during the Financial Year ending on March 31 of the next year as provided under Rule 18

of the Companies (Share Capital and Debentures) Rules, 2014 has been dispensed with for listed entities vide notification of MCA dated June 05, 2020.

TRUSTEE TO SECURITIES HOLDERS

In order to safeguard the interest of Debenture Holders of the Company and continuous monitoring of compliance with terms of issue, your Company has appointed IDBI Trusteeship Services Limited and Beacon Trusteeship Limited pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulation 2021.

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

BRANCH BUILD-UP: STRATEGIC NETWORK EXPANSION

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

The Company is expanding its presence in the southern region, which represents a meaningful whitespace opportunity. Building on the operational experience in Karnataka and a contiguous expansion strategy, during the year, your Company has extended its footprint into Tamil Nadu with 20 Branches.

As on March 31, 2026, the Company is operating in 13 states and 2 union territories, with a network of 435 branches, consisting of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh, Haryana, Chhattisgarh, Uttarakhand, Himachal Pradesh, Punjab, Odisha, Karnataka, Tamil Nadu, Delhi and Chandigarh. The Company has added net 38 Branches during the Financial Year 2025-26.

Your Company has its Registered Office in Jaipur, Rajasthan and its branch network as on March 31, 2026 vis-à-vis the previous Financial Year are detailed hereunder:

States	Branches as on March 31,2026	Branches as on March 31,2025
Rajasthan	111	109
Madhya Pradesh	55	55
Gujarat	55	46

States	Branches as on March 31,2026	Branches as on March 31,2025
Maharashtra	50	51
Uttar Pradesh	48	39
Karnataka	38	38
Haryana	20	20
Tamil Nadu	20	1
Chhattisgarh	9	9
Uttarakhand	9	9
Odisha	6	6
Delhi	5	5
Punjab	4	5
Himachal Pradesh	4	4
Chandigarh	1	-
Total number of branches	435	397

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors plays a pivotal role in upholding the principles of sound Corporate Governance by providing strategic direction, oversight, and accountability. An appropriately structured and well-balanced Board, comprising Executive, Non-Executive, and Independent Directors, ensures a diversity of perspectives, experience, and expertise, thereby strengthening decision-making processes.

The composition of your Company's Board is designed to foster independence, transparency, and objectivity, enabling effective supervision of management and safeguarding the interests of all Stakeholders.

During the period under review, your Company has optimum mix of Executive, Non-Executive and Independent Directors including Women Independent Director and its composition is aligned with the requirements of Companies Act, 2013, SEBI (LODR) Regulations, 2015, and the Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025, as amended from time to time.

The Board of Directors of the Company comprises eminent professionals with diverse experience, high standards of integrity, and proven competence. The Non-Executive Directors, including Independent Directors, play a pivotal role in strengthening the governance framework by bringing objective and independent judgment to Board deliberations. Their contributions span across key areas such as strategic direction, operational performance, risk oversight, resource allocation, financial reporting, and upholding the highest standards of corporate conduct.

In line with best governance practices, the Board has identified and mapped core competencies including Accounting and Finance, Legal and Regulatory Compliance, Strategy Formulation and Execution, Risk Management, and Corporate Governance, along with other specialized skills. These competencies are considered essential for the effective functioning of the Company, particularly in its capacity as a NBFC and HFC.

As on March 31, 2026, the Board is comprised of 9 Directors, including three 3 Independent Directors of which 2 are Women Independent Directors, 5 Non-Executive Nominee Directors, and 1 Executive Director who also serves as the Managing Director & Chief Executive Officer. The Board's composition reflects an appropriate balance of executive and non-executive representation, ensuring robust oversight, diverse perspectives, and strong leadership, thereby fostering sound business principles and sustainable value creation.

BOARD OF DIRECTORS

The Composition of the Board of the Company as on March 31, 2026 is given below:

Sr. No.	Name of Director	Designation and Category
1.	Mr. Sandeep Tandon	Chairperson-Independent Director (Non- Executive)
2.	Mrs. Kalpana Kaushik Mazumdar ^{&}	Independent Director (Non- Executive)
3.	Mrs. Soumya Rajan	Independent Director (Non- Executive)
4.	Mr. Sachinderpalsingh Jitendrasingh Bhinder [^]	Managing Director and CEO (Executive)
5.	Mr. Siddharth Tapaswin Patel [*]	Nominee Director (Non- Executive)
6.	Mr. Rohit Ranjan ^{**}	Nominee Director (Non- Executive)
7.	Mr. Nikhil Omprakash Gahrotra [*]	Nominee Director (Non- Executive)
8.	Mrs. Neha Sureka [*]	Nominee Director (Non- Executive)
9.	Mr. Anant Jain [*]	Nominee Director (Non- Executive)

[&]Tenure of Mrs. Kalpana Kaushik Mazumdar is set to expire June 22, 2026, the resulting vacancy will suitably be filled by the Board within the regulatory timelines.

[^]Ceased to be Managing Director and CEO of the Company w.e.f. Close of business hours of April 20, 2026. Further Mr. Manu Yeshpal Singh appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the shareholders of the Company) and Chief Executive Officer of the Company, w.e.f. April 21, 2026.

^{*}Appointed as Additional Non-Executive Non-Independent Directors w.e.f. June 30, 2025 and subsequently their appointment was approved by the Shareholders as Non-Executive Nominee Director at the Annual General Meeting held on September 16, 2025.

^{**}Appointed as Additional Non-Executive Non-Independent Director w.e.f. October 15, 2025 and subsequently his appointment was approved by the Shareholders as Non-Executive Nominee Director via postal ballot passed on January 06, 2026.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel ("KMP") of your Company constitute the core leadership team responsible for the effective execution of the Company's strategy and the day-to-day management of its operations.

In accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, your Company's KMP comprises the following:

Sr. No.	Name of KMP	Designation
1.	Mr. Sachinderpalsingh Jitendrasingh Bhinder [^]	Managing Director & Chief Executive Officer
2.	Mr. Manu Yeshpal Singh [*]	Chief Executive Officer
3.	Mr. Ghanshyam Rawat	President and Chief Financial Officer
4.	Mr. Ashutosh Atre	President and Chief Risk Officer
5.	Mr. Saurabh Sharma	Company Secretary and Compliance Officer

[^]Ceased as KMP w.e.f. close of business hours of April 20, 2026.

^{*}Appointed as KMP w.e.f. April 21, 2026.

APPOINTMENT & RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year under review and upto the date of this Annual report, the Company has witnessed changes in its Board composition in accordance with corporate governance requirements and business imperatives. The changes, including appointments and resignations were undertaken to strengthen leadership oversight, ensure regulatory alignment and drive operational effectiveness details as under:-

Appointment	Resignation or Retirement	Directors Retiring by Rotation	Appointments/ Resignations of the Key Managerial Personnel (KMP)
During the year Shareholders at its 15th AGM held on September 16, 2025, approved the appointment of Mr. Elcid Vergara, Mr. Siddharth Tapaswin Patel, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Anant Jain as Non-Executive Nominee Director w.e.f. June 30, 2025. Further, during the year, the Shareholders of the Company, vide Postal Ballot (passed on January 06, 2026) approved the appointment of Mr. Rohit Ranjan as Non-Executive Nominee Director w.e.f. October 15, 2025. Further, Mr. Manu Yeshpal Singh was appointed as a Managing Director (subject to receipt of approval from Reserve Bank of India and Shareholders of the Company) and Chief Executive Officer of the Company w.e.f. April 21, 2026.	During the year, Mr. Ramachandra Kasargod Kamath, Mr. Vivek Vig, Mr. Nishant Sharma, Mr. Manas Tandon, and Mr. Rahul Mehta resigned as Non-Executive Nominee Director w.e.f. June 30, 2025. Further, Mr. Elcid Vergara resigned as Non-Executive Nominee Director w.e.f. October 15, 2025. Further, Mr. Sachinderpalsingh Jitendrasingh Bhinder resigned as Managing Director & Chief Executive Officer of the Company, w.e.f. close of business hours of April 20, 2026.	Pursuant to the provisions of Section 152 of the Companies Act, 2013 during the Year, no Director of the Company was liable to retire by rotation at the 15th AGM as per the composition of the Board of the Company. Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nikhil Omprakash Gahrotra, & Mrs. Neha Sureka, Non-Executive Nominee Director, are liable to retire by rotation at the ensuing 16th AGM of the Company. They are eligible and have offered themselves for re-appointment.	Mr. Sachinderpalsingh Jitendrasingh Bhinder ceased to be a Key Managerial Personnel of the Company, pursuant to his resignation from the position of Managing Director & Chief Executive Officer of the Company w.e.f. close of business hours of April 20, 2026. Further, Mr. Manu Yeshpal Singh was appointed as a Key Managerial Personnel of the Company, pursuant to his appointment as Chief Executive Officer of the Company w.e.f. April 21, 2026.

DECLARATION BY INDEPENDENT DIRECTOR

In accordance with the provisions of the Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) & 25 of SEBI (LODR) Regulations, 2015, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence for Independent Directors.

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

The names of all the Independent Directors of the Company have been included in the Independent Director's databank maintained by Indian Institute of Corporate Affairs ("IICA").

None of the Directors have any pecuniary relationship or transactions with the Company.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

The Board of Directors hereby affirms that none of its members are disqualified from being appointed as Directors in accordance with the provisions of Section 164 of the Companies Act, 2013. Further, no Director has been debarred from holding the office of Directors by virtue of any SEBI order or any other such authority. None of the Directors of the Company are related to each other.

In support of the above, a certificate from a Company Secretary in practice has been obtained confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors

of Company by SEBI / MCA or any such statutory authority. The same forms part of this Annual Report as ‘Annexure-1’.

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

During the year under review, the Company did not have any Subsidiary, therefore, the disclosure under Section 197(14) of Companies Act, 2013 for receiving any commission by the Managing Director and Chief Executive Officer of the Company from Subsidiary Company is not applicable.

BOARD MEETINGS

The Company upholds Corporate Governance best practices by convening a minimum of four Board meetings each year, ensuring at least one meeting per quarter. The schedule for these meetings is established well in advance, following due consultation and concurrence of all Directors.

For matters requiring urgent attention, decisions approved through circular resolutions are subsequently presented at the next scheduled Board meeting, thereby reinforcing transparency and accountability in governance.

During the Financial Year under review, the Board held 7 (Seven) meetings. Detailed records of individual Directors’ attendance at these meetings are comprehensively captured in the Corporate Governance Report and are not repeated here to avoid duplicacy.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The effectiveness of the Board of Directors is central to the Company’s sustained growth and governance excellence. A structured evaluation process enables the Board to identify opportunities for improvement, address governance challenges, and strengthen accountability, thereby enhancing value creation for all Stakeholders.

In line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has undertaken its annual assessment of overall performance, including that of its Committees and Individual Directors. In consultation with the Nomination and Remuneration Committee, the Board has established a comprehensive framework that sets out the criteria for evaluating the performance of the Board, its Committees, and Individual Directors, including Independent Directors, in compliance with applicable regulatory requirements.

The Board also periodically reviews and refines this framework, in collaboration with the Nomination and Remuneration Committee, to ensure alignment with evolving compliance obligations and governance standards.

The evaluation process is facilitated through a web-based platform, “DigiCompany” which streamlines operations,

enhances efficiency, and automates the generation of evaluation reports.

Details of the evaluation process covering the Board, its Committees, and Individual Directors, including Independent Directors, are provided in the Corporate Governance Report, forming part of this Annual Report.

SEPERATE INDEPENDENT DIRECTORS’ MEETINGS

During the Financial Year under review, two separate meeting of Independent Directors was convened on December 02, 2025 and March 12, 2026. This meeting was held without the participation of Non-Independent Directors or members of the Company’s Management, thereby ensuring an environment conducive to independent deliberation and oversight.

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

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In line with the Company’s commitment to strong governance practices, familiarization programmes are conducted for Independent Directors in compliance with Regulation 25(7) of the SEBI (LODR) Regulations, 2015. These programmes ensure that Independent Directors are well-acquainted with their roles, rights, responsibilities, and the Company’s business model at the time of induction.

The Programme provides a structured framework aligned with contemporary governance expectations, emphasizing adherence to a code of ethics and integrity. Its objective is to educate Independent Directors about their obligations, regulatory environment, and the Company’s operational model, thereby fostering trust and confidence among Stakeholders and the investment community.

Through induction and ongoing training initiatives, the Board, including Independent Directors, is empowered to make informed and deliberate decisions that serve the best interests of the Company and its Stakeholders.

Details of the familiarization programme are available on the Company’s website at: <https://www.aavas.in/codes-and-policies>.

POLICY ON DIRECTOR’S APPOINTMENT, REMUNERATION & OTHER DETAILS

To foster capable and visionary leadership, the Company has adopted a comprehensive Nomination and Remuneration Policy governing the selection, compensation, and governance

of its Directors, Key Managerial Personnel (“KMP”), and Senior Managerial Personnel (“SMP”). The Policy emphasizes ethical conduct, professional merit, and organizational alignment, ensuring that individuals appointed to critical positions contribute meaningfully through their competence and insight. It also reinforces transparency in the nomination process, underscoring the Company’s commitment to responsible leadership.

This Policy has been formulated in accordance with Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (LODR) Regulations, 2015, and the Guidelines on Compensation of Key

Managerial Personnel and Senior Management in NBFCs issued by the Reserve Bank of India (RBI) vide circular RBI/2022-23/36 DOR.GOV.REC.No.29/18.10.002/2022-23 dated April 29, 2022, as amended from time to time. The Policy is available on the website of the Company at https://www.aavas.in/img/pdf/Policy_on_Nomination_and_Remuneration-feb-2026.pdf

Details of remuneration paid to Directors are disclosed in the Annual Return ("Form MGT-7"), which is also available on the website of the Company at <https://www.aavas.in/investor-relations/annual-reports>.

BOARD COMMITTEES

Aligned with the applicable regulatory framework, the Board has constituted following 9 Committees of Board to effectively strengthen governance, strategic decision-making, enhance operational efficiency, oversight functions and regulatory compliance:

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

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

The details with respect to the composition, terms of reference, number of Meetings held, etc. of these Committees as on March 31, 2026 are given in the Report on Corporate Governance, which forms part of this Annual Report as ‘Annexure-2’.

EMPLOYEE STOCK OPTION PLAN

The Company recognizes the importance of attracting, retaining and motivating talent as a key driver of its long-term growth and value creation. In line with this, the Company has implemented an Employee Stock Option Schemes (“ESOP Schemes”), designed to align the interests of employees with those of shareholders by providing an opportunity to participate in the Company’s growth and performance.

All the ESOP & PSOP Schemes of the Company are in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB and Sweat Equity Regulations”) as amended from time to time.

Further, the Nomination & Remuneration Committee is authorized to administer and oversee the ESOP & PSOP Schemes of the Company ensuring compliance with the Companies Act, 2013, SEBI SBEB and Sweat Equity Regulations, 2021 and SEBI (LODR) Regulations, 2015.

EQUITY STOCK OPTION PLAN 2022 (“ESOP-2022”)

During the Financial Year under review, the Company made grant aggregating to 3,01,230 options on November 11, 2025 under ESOP-2022.

PERFORMANCE STOCK OPTION PLAN 2023 (“PSOP-2023”)

During the Financial Year under review, the Company made grant aggregating to 23,637 options on August 12, 2025 under the PSOP-2023.

PERFORMANCE STOCK OPTION PLAN 2024 (“PSOP-2024”)

During the Financial Year under review, the Company made grant aggregating to 10,000 options on November 11, 2025 under the PSOP 2024.

EQUITY STOCK OPTION PLAN 2025 (“ESOP-2025”)

With a view to drive long term performance, retain talent and attract new talent, the Company formulated and implemented ‘Aavas Financiers Limited - Equity Stock Option Plan- 2025’ (“ESOP-2025”) as a key component in its reward structure to the eligible employees of the Company. The ESOP-2025 was approved by the Shareholders in Annual General Meeting held on September 16, 2025. Further, during the year under review, the Company made grant aggregating to 14,22,470 options on November 11, 2025 under the ESOP 2025.

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

Sr. No.	Particulars	ESOP 2016- I	ESOP- 2019	ESOP- 2020	ESOP- 2021	ESOP- 2022	PSOP- 2023	PSOP- 2024	ESOP- 2025
1.	Date of Shareholders’ approval via Special Resolution	February 23, 2017	August 01, 2019	July 22, 2020	August 10, 2021	July 21, 2022	November 06, 2023	August 07, 2024	September 16, 2025
2.	Authorization	The Schemes empowers the Board and Nomination & Remuneration Committee to execute the Scheme.							
3.	Variation (if any)	No variation has been made in the terms of any of the ESOP schemes of the Company during the Financial Year 2025-26.							

Additionally, in compliance with the Regulation 13 of SEBI SBEB and Sweat Equity Regulations, 2021, a certificate confirming that the above ESOP & PSOP Schemes have been implemented in accordance with the SEBI SBEB and Sweat Equity Regulations, 2021 as amended from time to time, has been obtained from Secretarial Auditors of the Company.

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

Further, in compliance with Regulation 42 of SEBI (LODR) Regulations, 2015, the ESOP & PSOP schemes are available on the website of the Company at https://www.aavas.in/img/pdf/employee_benefit_scheme_document.pdf.

AUDIT & AUDITORS

Statutory Auditors and Auditors’ Report

In terms of provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and RBI Guidelines for appointment of Statutory Auditor(s), M/s. M S K A & Associates LLP, Chartered Accountants (Firm Registration No. 105047W) and M/s. Borkar & Muzumdar, Chartered Accountants (Firm Registration No. 101569W) were appointed as the Joint Statutory Auditors of the Company by the members of the Company for a period of 3 (Three) consecutive

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

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

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

Secretarial Auditors and Secretarial Audit Report

With a vision to uphold the highest standards of governance and regulatory discipline, the Company undertakes Secretarial Audit as a key assurance mechanism to evaluate compliance with applicable laws and secretarial practices.

In adherence with the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder and Regulation 24A of SEBI (LODR) Regulation, 2015, the Shareholders of the Company, in the 15th AGM held on September 16, 2025, approved the appointment of M/s. Chandrasekaran Associates, (Firm Registration No. P1988DE002500) Company Secretaries as Secretarial Auditors of the Company for a period of 5 (Five) consecutive Years effective from Financial Year 2025-26 upto Financial Year 2029-30.

Accordingly, M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No. P1988DE002500), have carried out Secretarial Audit of the Company for the Financial Year 2025-26 in accordance with the provisions of Section 204 of the Companies Act, 2013 read with the rules made thereunder.

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

In accordance with provisions of Sub-section (1) of Section 204 of the Companies Act, 2013, the Secretarial Audit Report in Form MR-3, forms part of this Annual Report as 'Annexure-3'.

Furthermore, M/s. Chandrasekaran Associates, Company Secretaries has issued an Annual Secretarial Compliance Report for the Financial Year 2025-26 in compliance with Regulation 24A of SEBI (LODR) Regulation, 2015 which forms part of this Annual report as 'Annexure-4' and is also submitted to the Stock Exchanges. There are no observations, or qualifications or adverse remarks in their Report.

The Company has obtained consent and eligibility certificate from the above audit firm under applicable rules and laws that they are not disqualified and are eligible to hold the office as Secretarial Auditors of the Company for the Financial Year 2026-27.

INFORMATION SYSTEM AUDIT ("IS AUDIT")

The Company has in place a Board approved Information Systems Audit Policy that is commensurate with the technological landscape. The audits focus on information technology general controls and information security aspects.

The Information System audit are carried out as part of an Internal Audit function. The Internal Audit function is an independent assurance function. The Head of Internal Audit ("HIA") is accountable to the Audit Committee and Management in providing assurance on the adequacy and effectiveness of the Company's risk management, control, and governance of information system processes used for controlling its activities.

INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has in place a Board approved Risk Based Internal Audit Framework ("RBIA") in compliance with directive issued by Reserve Bank of India. The Company has an effective independent Internal Audit function headed by the HIA to oversee the audit of functional areas and operations.

The HIA reports directly to the Audit Committee of the Board. The primary responsibility of the HIA is to effectively manage the Internal Audit function and to ensure that it provides required assurance on the entity's business and support functions.

The RBIA framework effectively ensures that internal audit coverage is commensurate with the nature of complexity of

business operations on an ongoing basis. It encompasses coverage of business and support functions, including governance, regulatory, operational and technology aspects, as well as branch audits. HIA ensures compliance with the internal audit principles and standards and the independence of the Internal Audit department, its audit staff and evaluating its performance against key performance indicators.

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

There were no significant or material orders passed by the regulators or courts or tribunals against the Company during the Financial Year 2025-2026.

MATERIAL CHANGES/EVENTS AND COMMITMENTS, IF ANY

During the year following material changes/events have occurred:

Material Event: Share Purchase Agreement and Open Offer

During the previous Financial Year 2024-25, the Company had entered into share sale agreements ("SPAs") with Aquilo House Pte. Ltd. (belonging to the CVC Network) ("Purchaser") and Lake District Holdings Limited, Partners Group ESCL Limited and Partners Group Private Equity (Master Fund), LLC, being the erstwhile promoters and members of the Promoter Group of the Company ("Sellers").

Pursuant to the SPAs, the Purchaser agreed to acquire, in aggregate, 2,09,49,112 equity shares of the Company from the Sellers, constituting 26.47% of the paid-up share capital of the

Company and control of the Company, subject to the terms and conditions set out in the SPAs.

The execution of the SPAs triggered an obligation on the Purchaser to make an open offer to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Pursuant to the said open offer, the Purchaser acquired 1,78,08,116 equity shares of the Company, aggregating to 22.50% of the paid-up share capital of the Company pursuant to the open offer from the public shareholders.

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

As a result of the aforesaid acquisition and the open offer, the Purchaser as on March 31, 2026, holds 3,87,57,228 equity shares of the Company, representing 48.88% of the paid-up share capital of the Company.

Further, there have been no other material changes or commitments that have affected the financial position of the Company.

MAINTENANCE OF COST RECORDS

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

INFORMATION TECHNOLOGY

Your company has strengthened its position as a technology-driven leader by leveraging digital, AI, and automation to improve efficiency, reduce costs, and enhance customer experience. Key initiatives included upgrading the Nirman sales app, implementation of a digital agreement process, a loan disbursement processes, and expansion of customer self-service via chatbots and mobile apps. AI adoption across critical functions improved turnaround times, FTR rates, voice bot improved collections efficiency, and application development speed, while RPA and other AI tools enhanced audits and employee productivity.

The Company also modernized its data platform with a scalable cloud-native stack which ensures scalability and advanced analytics. It strengthened cybersecurity through drills, assessments and awareness programs and maintained

a strong BitSight rating. Operational improvements included adopting cloud-based systems like Salesforce, MuleSoft for loan origination and customer service and Oracle platforms for core banking and financial systems. Digital integrations enabled over 75% of customer requests to be resolved digitally with 99% self-service.

Going forward, the focus will be on scaling AI across functions, enhancing cybersecurity, expanding cloud adoption, and building strategic partnerships to drive long-term growth and innovation in affordable housing finance.

HUMAN RESOURCE – A CULTURE OF COMMITMENT, CONSISTENCY AND COMPASSION

Your Company has always been committed to nurturing a supportive, inclusive and dynamic workplace where each team member feels valued and motivated. Our comprehensive HR initiatives are designed to enhance employee well-being, cultivate professional growth, and build a strong sense of community. By investing in our people, we not only drive individual success and well-being, but also propel our organization towards greater achievements. Its vision of being a leader and a role model in a broad based and integrated financial services business and a culture that is purpose driven gives meaning to our people. As we reflect on the past Financial Year, 2026, it is evident that our success is intrinsically linked to the quality and competence of our human capital.

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

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

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

As of March 31, 2026, our permanent employees count stood at 7,649, reflecting our growth and unwavering commitment to fostering a conducive and performance-driven organizational environment. In the future, your Company is committed to foster an improved workplace that nurtures professional

development and operational excellence. Together, we will persist in our pursuit of excellence, promote sustainable growth and create lasting value for all our Stakeholders.

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

Your Company remains firmly committed to providing a safe, respectful and inclusive workplace environment for all employees. Sexual harassment is treated as a serious violation of human dignity and organisational values, and the Company maintains a zero-tolerance approach towards such conduct.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a comprehensive policy and constituted Internal Complaints Committees ("ICCs") to address and resolve complaints relating to sexual harassment. The policy applies to all employees across locations.

Details of complaints received, disposed and pending during the Financial Year are provided in the Corporate Governance Report forming part of this Annual Report.

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

The Company places strong emphasis on fostering a supportive, inclusive, and equitable workplace for its women employees. In line with this commitment, the Company has remained fully compliant with the provisions of the Maternity Benefit Act, 1961, during the Financial Year under review.

A comprehensive Leave Policy is in place, clearly outlining entitlements related to maternity leave and associated benefits. All eligible women employees have been extended statutory benefits under the Act, including paid maternity leave, continuity of salary and service during the leave period, and post-maternity support.

Further, recognizing the importance of employee welfare, the Company has also introduced a reimbursement facility for crèche services, thereby supporting working mothers in balancing professional and personal responsibilities.

By ensuring compliance with applicable laws and proactively implementing employee-friendly initiatives, the Company remains dedicated to providing a safe, empowering, and inclusive work environment for its women employees.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In any organization, a secure and confidential channel for reporting concerns related to ethical conduct is essential for maintaining accountability and integrity. Such a mechanism empowers individuals to raise issues without fear, fostering a culture of transparency and trust within the organization. Accordingly, your Company has in place a "Whistle Blower

Policy" encompassing vigil mechanism pursuant to the requirements of sub-section 9 and 10 of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR) Regulations, 2015, to report to the management genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct.

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

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

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

The Whistle Blower Policy is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

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

To uphold the highest standards of transparency and regulatory compliance, the Company has established and adopted a comprehensive Code of Conduct for the Prevention of Insider Trading, in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI (PIT) Regulations, 2015").

This Code regulates, monitors, and ensures proper reporting of trading activities by Designated Persons and their immediate relatives, identified based on their functional roles. It is designed to maintain ethical integrity in trading the Company's securities. The Code prohibits trading while in possession of Unpublished Price Sensitive Information ("UPSI") and prescribes clear procedures, disclosure requirements, and consequences for violations.

To safeguard Stakeholder interests, Mr. Saurabh Sharma, Company Secretary, has been appointed as the Compliance Officer under the Code, responsible for overseeing adherence to insider trading regulations and governance principles.

Furthermore, in accordance with Regulations 3(5) and (6) of SEBI (PIT) Regulation 2015, the Company has maintained a Structural Digital Database ("SDD"), wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time

stamping and audit trails to ensure non-tampering of the database. It ensures proper record-keeping and monitoring of access to UPSI. This database serves as an essential tool for regulatory compliance, preventing unauthorized dissemination and ensuring transparency in the management of sensitive financial information.

The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the SEBI PIT Regulations, 2015.

RISK MANAGEMENT FRAMEWORK

Managing risk effectively remains central to the Company's long-term sustainability. Recognizing the dynamic nature of its operating environment, the Company has built a comprehensive risk management framework supported by clearly defined policies, systems, and governance practices.

Risk oversight is anchored through a collaborative structure involving senior management and the Board's Risk Management Committee, ensuring compliance with regulatory requirements under SEBI (LODR) Regulations, 2015, and RBI guidelines. This framework enables continuous monitoring of the evolving risk landscape while fostering a culture of awareness and accountability.

The Committee undertakes periodic reviews of key risks and mitigation strategies, supported by well-established policies such as the Risk Management Policy, IT Risk Management Policy, and ICAAP, along with an Early Warning Signal mechanism for timely identification of potential stress.

A wide range of risks—including credit, liquidity, interest rate, cybersecurity, fraud, regulatory, and operational risks—are actively tracked and reviewed. The Company's disciplined underwriting processes, backed by skilled professionals and supported by specialized teams and external experts, further strengthen its ability to manage risks effectively and sustain business performance.

INVESTOR RELATIONS

Fostering trust through open, timely and transparent communication remains central to building strong and enduring relationships with the investment community. The Company is committed to keeping Stakeholders well informed about its financial performance, strategic priorities and long term objectives through consistent engagement. Leveraging technology, the Company not only sustains current performance but also supports future ready growth, guided by a holistic view of the operating environment.

To strengthen investor engagement, the Company has established a dedicated Investor Relations team that facilitates regular communication through earnings conference calls, investor and analyst meetings and structured interactions between fund managers and management. The Investor

Relations team also participates in investor conferences each quarter to deepen engagement. Presentations shared with investors, analysts and fund managers are made available on the Company's website and are simultaneously disseminated to the stock exchanges to ensure transparent and equitable access to information. Each quarter, the audio recordings of these meetings, along with their transcripts, are posted on the website of the Company at <https://www.aavas.in/investor-relations/investor-intimation>.

CORPORATE SOCIAL RESPONSIBILITY

Your Company recognizes Corporate Social Responsibility ("CSR") as an integral part of responsible Corporate Governance and remains committed to contributing towards the social and economic development of the communities in which it operates.

Through its CSR initiatives, the Company undertakes programmes aimed at promoting community welfare and improving the quality of life, particularly for underprivileged and marginalized sections of society. The Company continues to support initiatives in areas such as Environment Sustainability, Education, Health & Well Being, Livelihood & women empowerment and other activities aligned with the objectives set out under the applicable CSR framework.

In compliance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company has constituted a CSR & ESG Committee of the Board to oversee the implementation and monitoring of CSR activities. Further, the Company has adopted a Corporate Social Responsibility Policy in accordance with the provisions of and the activities specified under Schedule VII of the Companies Act, 2013. The Policy lays down the guiding principles and framework for undertaking CSR initiatives of the Company.

The CSR Policy is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

The Annual Report on CSR activities, as required under the Companies Act, 2013 and the rules made thereunder, is provided as 'Annexure - 8' forming part of this Annual Report.

PARTICULARS OF HOLDING/JOINT VENTURE/ SUBSIDIARY/ASSOCIATE COMPANIES

Pursuant to the share sale agreements entered into with Aquilo House Pte. Ltd. ("Purchaser") and each of Lake District Holdings Limited, Partners Group ESCL Limited, and Partners Group Private Equity ("Master Fund"), LLC who were members of the Promoter/Promoter Group of the Company ("Sellers") until June 30, 2025 and in accordance with the powers conferred upon the Purchaser under Article 16 of the Articles of Association, Aquilo House Pte. Ltd. has become the Holding

Company of the Company effective June 30, 2025. This status is in terms of Section 2(87)(i) of the Companies Act, 2013, by virtue of controlling the composition of the Board of Directors.

Further, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the requirement of furnishing a statement in Form AOC-1 is not

applicable, as the Company does not have any Subsidiary, Associate or Joint Venture during the Financial Year under review.

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of your Company containing inter alia, Financial Statements has been available on the website of the Company at <https://www.aavas.in/investor-relations/annual-reports>.

PARTICULARS OF EMPLOYEE REMUNERATION AND RELATED DISCLOSURES

In compliance with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, disclosures regarding the remuneration of Directors and employees have been made. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014, is available on the website of the Company at <https://www.aavas.in/investor-relations/annual-reports>.

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

In terms of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of energy conservation, technology absorption and foreign exchange earnings and outgo is provided as under:

Particular	Remarks
A) Conservation of energy	
The steps taken / impact on conservation of energy	Sustainability is integrated into our operations through energy-efficient branch infrastructure and a clear roadmap for reducing GHG emissions. Achieving LEED Gold certification for our Head Office reflects our high standards for eco-friendly practices. Your Company leverages technology to further minimize environmental impact, specifically through the 'Go Green Project.' This initiative transitions our loan processing to a paperless system, significantly reducing resource consumption while enhancing operational efficiency as the well as the Company has started digital agreement signing to further reduce its paper consumption. During Financial Year 2025- 26, the Company further strengthened its energy conservation efforts by introducing an internal Electric Vehicle ("EV") charging facility for two-wheelers at the head office under its Green Mobility initiative. This step promotes sustainable commuting, reduces dependence on fossil fuel-based transportation, and contributes to lowering Scope 1 and Scope 3 emissions, aligned with the Company's commitment to carbon neutrality.
The steps taken by the Company for utilizing alternate sources of energy	As a housing finance provider, our environmental footprint is primarily limited to paper, plastic, and e-waste. To manage this, your company has implemented the following initiatives: Waste Management & Reduction: • Plastic & Resource Awareness: The Company have set specific reduction targets and run internal communication campaigns to educate employees on eliminating single-use plastics. • Operational Monitoring: The Company now actively monitor its waste streams, specifically tracking paper, plastic, and e-waste to improve management practices. • Responsible E-Waste Disposal: All electronic waste is recycled through certified professional handlers to ensure environmentally sound disposal. • Digital Transformation: Through our "Go Green Initiative," the Company leverage advanced technology to digitize loan processing and significantly minimize paper consumption.

Particular	Remarks
	Green Housing Program: • Strategic Partnership: In collaboration with the International Finance Corporation ("IFC"), a member of the World Bank Group, the Company has developed the "Green Homes" initiative. • Sustainable Financing: The Company provide specialized loans for self-built green homes that achieve at least 20% higher efficiency in energy, water, and construction features compared to conventional buildings. As of March 31, 2026, the Company has proudly financed 670 self-built Green Homes under this program.
The Capital investment on energy conservation equipment	In view of the nature of the activities carried on by your Company, there is no capital investment on energy conservation equipment.
B) Technology absorption	
The efforts made towards technology absorption	• Expansion of Artificial Intelligence applications including AI-based loan application quality control, Generative AI voice bots for collections, AI-driven application development and AI-enabled employee co-pilot leveraging GenAI. • Enhancement of customer service capabilities through mobile applications on Android and iOS, service bots and CRM platform. • Rollout of a fully automated end-to-end Digital Agreement process for improved customer experience. • Launch of the Nirman Plus App with enhanced capabilities for sales planning and field activity management. • Implementation of an end-to-end digital onboarding process for lead sourcing partners to improve onboarding TAT. • Development of a robust API-driven integration framework for channel partners. • Stabilized the new core banking system on Oracle Flexcube. • Streamlined treasury operations through the newly implemented Beacon Treasury Management system. • Deployment of advanced cybersecurity solutions across networks, applications, endpoints, and data centres, along with cybersecurity awareness programs.
The benefits derived like product improvement, cost reduction, product development or import substitution	• Improved customer experience and higher service efficiency through service bots, mobile applications, and automated digital agreement processes. • Reduction in processing time and improvement in sanction turnaround time through AI-based loan application quality control. • Enhanced collections efficiency and customer interaction through deployment of generative AI voice bots, Increased operational efficiency through AI-enabled employee co-pilot, robotic process automation ("RPA"), and agentic AI-based audit automation. • Accelerated innovation and faster application development using AI-driven development capabilities. • Streamlined banking and treasury operations through migration to Oracle Flexcube and implementation of Beacon Treasury Management systems. • Enhanced cybersecurity resilience and stronger protection against evolving digital threats through advanced security solutions and governance frameworks. • Greater digital adoption by customers resulting in improved operational efficiency and service accessibility. • Better field productivity and planning efficiency for sales teams through the enhanced Nirman Plus App.

Particular	Remarks																		
In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)	<table> <tr> <th>Technology Imported</th><th>Year of Import (Financial Year)</th></tr> <tr> <td>Oracle Fusion system (for Financial System and reporting)</td><td rowspan="8">2022-23</td></tr> <tr> <td>ORACLE Flexcube (for LMS)</td></tr> <tr> <td>Mulesoft (for Integration of systems)</td></tr> <tr> <td>GTB</td></tr> <tr> <td>Cloud services of AWS and Oracle</td></tr> <tr> <td>SAS viya</td></tr> <tr> <td>CrowdStrike</td></tr> <tr> <td>NetSkope</td></tr> <tr> <td>Tableau</td><td rowspan="3">2023-24</td></tr> <tr> <td>Cloudflare</td></tr> <tr> <td>Kyvos</td></tr> <tr> <td>Icewarp</td><td rowspan="2">2024-25</td></tr> <tr> <td>Snowflake</td></tr> </table>	Technology Imported	Year of Import (Financial Year)	Oracle Fusion system (for Financial System and reporting)	2022-23	ORACLE Flexcube (for LMS)	Mulesoft (for Integration of systems)	GTB	Cloud services of AWS and Oracle	SAS viya	CrowdStrike	NetSkope	Tableau	2023-24	Cloudflare	Kyvos	Icewarp	2024-25	Snowflake
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Cloudflare																			
Kyvos																			
Icewarp	2024-25																		
Snowflake																			
a) the details of technology imported																			
b) the year of import	As mentioned above																		
c) whether the technology has been fully absorbed	Fully Absorbed																		
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA																		
The expenditure incurred on Research and Development	₹15 lakh																		
C) Foreign exchange earnings and Outgo	During the Financial Year under review, your Company had no foreign exchange earnings and the aggregate of the foreign exchange outgo during the Financial Year under review was ₹4039.71 Lakh. The aforesaid details are shown in the Note No. 38 of notes to the accounts, forming part of the Financial Statements. The members are requested to refer to this Note.																		

ENVIRONMENT HEALTH AND SAFETY (“EHS”) PROTECTION

As a Housing Finance Company, the Company is committed to upholding robust environmental and social standards across its lending and operational practices. We continuously strengthen and refine our credit appraisal and investment decision frameworks to ensure alignment with applicable Indian statutory and regulatory requirements, as well as internationally recognized benchmarks, including the IFC Performance Standards. These principles are embedded across our housing finance and MSME portfolios, enabling

us to promote responsible financing and sustainable development outcomes.

Your Company places strong emphasis on safeguarding the health and safety of its workforce by embedding robust EHS principles into its operations. Its approach is centered on systematic risk identification, preventive controls, and adherence to applicable regulatory requirements. Through structured policies, the Company strives to build a vigilant and accountable safety culture. Ongoing monitoring, internal reviews, and continuous enhancement of safety practices remain integral to its commitment to operational excellence and long-term sustainability.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

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

Following SEBI Master Circular HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, SEBI has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators ("KPIs") across nine ESG attributes.

Demonstrating its commitment to robust Corporate Governance and transparent sustainability disclosures, the Company has voluntarily implemented the BRSR Core framework over the last two Financial Years.

The Company is dedicated to year-on-year improvements in ESG performance, refining our systems and disclosure practices to deliver tangible impact and stay in step with shifting Stakeholder expectations.

The BRSR describing the initiatives taken by the Company from an ESG perspective along with Reasonable Assurance Statement from an Independent Auditor forms part of this Annual Report as **'Annexure-10'**.

ANNUAL RETURN

The Annual Return has been prepared in form MGT-7 as on March 31, 2026 in compliance with the provisions of Section 134(3) and Section 92(3) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014. The same is available on the website of the Company at <https://www.aavas.in/investor-relations/annual-reports>.

ADDITIONAL DISCLOSURES UNDER COMPANIES (ACCOUNTS) RULES, 2014

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

There were no proceedings, either filed by the Company or against the Company, pending under the Insolvency and Bankruptcy Code, 2016, as amended, before the National Company Law Tribunal or other Courts as on March 31, 2026.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Since the Company is an HFC, it is exempted from disclosing information regarding particulars of loans extended, guarantees given, and security provided in the ordinary course of business under the provisions of Section 186(11) of the Companies Act, 2013.

Nevertheless, the notes to the Financial Statements of the Company state the details of loans, guarantees, and investments made as required under the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has an explicit "Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions" to ensure that all related party transactions are on an arm's length basis and in the ordinary course of business in adherence of the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder and the SEBI (LODR) Regulations, 2015. Accordingly, all related party transactions entered during Financial Year 2025-26 were on an arm's length basis and in the ordinary course of business under the Act and were not material under the SEBI (LODR) Regulations, 2015.

All related party transactions entered into during the Financial Year, were presented to both the Audit Committee and the Board. The Audit Committee has granted omnibus approval for related party transactions as per the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. Further, in compliance with the Section 134(3)(h) of the Companies Act, 2013, a thorough disclosure has been made in Form AOC-2 as **'Annexure-6'** which forms part of this Annual Report.

Additionally, in compliance with the SEBI and RBI Master Directions, the 'Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions' is given in **'Annexure-9'** which forms part of this Annual Report and is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

The Company regards corporate governance not merely as a regulatory obligation, but as a fundamental pillar of sustainable growth, ethical business conduct, and long-term value creation for all Stakeholders.

To embed these principles across its operations, the Board has instituted comprehensive Internal Guidelines on Corporate Governance, setting clear standards of integrity, transparency, and accountability. These guidelines are fully aligned with the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, and the regulatory framework prescribed by the Reserve Bank of India.

The governance framework is supported by a comprehensive set of Board-approved policies, including Code of Conduct, "Risk Management Policy", "Related Party Transactions Policy", "Vigil Mechanism/Whistle Blower Policy", Anti-Bribery and Anti-Corruption measures which help in promoting a culture of integrity and responsible decision-making across the organisation.

The Company has also established robust internal control systems, periodic internal audits and a dedicated compliance function to monitor adherence to these guidelines.

The Board and its committees regularly review governance practices and policy effectiveness, ensuring continuous strengthening of the Company's governance standards in line with evolving regulatory and business requirements.

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

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with the provisions of Section 134(3)(c) and 134(5), of the Companies Act, 2013, and based on the information provided by the Management, the Board of Directors hereby gives the following statement:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the

end of the Financial Year and of the profit and loss of the Company for that period;

- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BUSINESS OVERVIEW & FUTURE OUTLOOK

During the year under review, the Company reinforced its commitment to building a resilient and future-ready financial services franchise. This was achieved through disciplined credit practices, diversification of funding sources, and a strategic focus on sustainable growth, ensuring stability while driving long-term value creation.

An in-depth review of the Company's operations, performance and forward-looking perspective is set out in the Management Discussion and Analysis section of this Annual Report.

ACKNOWLEDGEMENTS AND APPRECIATION

The Board of Directors expresses its deep gratitude to all Stakeholders whose trust, commitment, and continued association have been instrumental in driving the Company's progress during the Year.

The Board also acknowledges the valuable guidance and oversight provided by the regulatory ecosystem, including the RBI, NHB, SEBI, Stock Exchanges i.e.. NSE and BSE. Their constructive engagement has played a vital role in shaping a resilient and well-governed financial framework.

The confidence reposed by Shareholders, Customers, Debenture Investors, Lending Institutions, and Banking Partners has remained the foundation of the Company's ability to operate responsibly and expand sustainably.

The Directors place on record their appreciation for the dedication and collective efforts of the Company's employees. Their discipline, agility, and sense of ownership have enabled the Company to navigate a dynamic credit environment while upholding strong underwriting standards, prudent risk practices, and regulatory compliance. The contribution of the Company's distribution network, sourcing partners, and service

associates is also recognized for strengthening outreach and operational effectiveness.

Looking ahead, the Board remains confident that the continued collaboration of all Stakeholders will empower the Company to advance its vision of responsible lending, maintain portfolio quality, and deliver sustainable value creation for the long term.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sandeep Tandon

Chairperson and Independent Director
(DIN:00054553)

Date: June 04, 2026

Place: Mumbai

Registered and Corporate Office:

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

Annexure-1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (*including Directors Identification Number ("DIN") status at the portal www.mca.gov.in*) as considered necessary and explanations furnished to us by the Company & its officers and based on declarations received from respective Directors, we hereby certify that as on Financial Year ended on March 31, 2026 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of appointment in Company
1.	Mr. Sandeep Tandon	00054553	27/07/2017
2.	Mrs. Kalpana Kaushik Mazumdar	01874130	23/06/2016
3.	Mrs. Soumya Rajan	03579199	29/08/2019
4.	Mr. Sachinderpalsingh Jitendrasingh Bhinder	08697657	03/05/2023
5.	Mr. Siddharth Tapaswin Patel	07803802	30/06/2025
6.	Mr. Rohit Ranjan	00003480	15/10/2025
7.	Mr. Nikhil Omprakash Gahrotra	01277756	30/06/2025
8.	Mrs. Neha Sureka	10759936	30/06/2025
9.	Mr. Anant Jain	06648006	30/06/2025

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

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 6689/2025

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644H000279341

Date: May 05, 2026

Place: New Delhi

CORPORATE GOVERNANCE REPORT

“Beyond Compliance: Governance that Creates Sustainable Value”

Aavas Financiers Limited (“Aavas” or “Your Company” or “the Company”) defines Corporate Governance as a fundamental pillar of sustainable business practices, encompassing fairness, transparency, accountability, and a steadfast commitment to ethical conduct. It reflects a structured framework of systems, processes, and policies that guide the Company’s operations while ensuring that the interests of all stakeholders including Shareholders, management, customers, regulators, and the broader community are duly balanced and protected.

The Corporate Governance environment in India has evolved significantly over the years, driven by regulatory reforms and increasing emphasis on transparency, accountability and ethical business practices. India’s Corporate Governance landscape is characterized by a strong focus on compliance and the adoption of best practices. Companies are encouraged to implement robust internal control systems, audit mechanisms and policies related to whistleblowing, anti-corruption and anti-bribery. The digitisation of Corporate Governance is also a transformative trend that is reshaping how companies manage their governance practices.

The Company is in compliance with Reserve Bank of India (Housing Finance Companies) Directions, 2025. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 (including erstwhile regulations), the Companies Act, 2013 (hereinafter referred to as “the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “SEBI (LODR) Regulations, 2015”) and all other applicable rules and regulations.

The Corporate Governance Report for the Financial Year ended March 31, 2026, has been prepared in compliance with Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015, and amendment thereof. The Company’s governance framework not only meets the prescribed statutory requirements but also reflects its commitment to going beyond compliance by embedding integrity, transparency, and accountability into its core business practices, thereby fostering long-term value creation for all stakeholders.

THE COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to upholding the highest standards of Corporate Governance across all aspects of its operations. The Board of Directors and Senior Management recognise that governance expectations are continually evolving and remain dedicated to maintaining the highest levels of transparency, accountability, and timely dissemination of information. The Company ensures that its practices are regularly reviewed to comply with both the letter and the spirit of applicable laws, while consistently adhering to its own rigorous standards of business ethics.

The Company firmly believes that robust Corporate Governance practices are integral to the efficient functioning of the organisation, enabling it to attract investment, safeguard stakeholder interests, and enhance long-term Shareholder value. All actions and decisions of the Company are guided by strong governance principles that reinforce its core values and ethical foundation.

The Company is guided by the fundamental principle that business transactions should be fair and equitable, ensuring that no party engaged with the Company is subject to undue disadvantage.

The Company’s philosophy on Corporate Governance is based on the following fundamental principles:

- Adherence to Corporate Governance standards that go beyond mere statutory compliance;
- Maintenance of a high degree of transparency and timely disclosures;
- Clear segregation between personal interests and corporate responsibilities;
- A transparent and efficient corporate structure aligned with business objectives and;
- Strict compliance with all applicable laws, regulations, and internal policies.



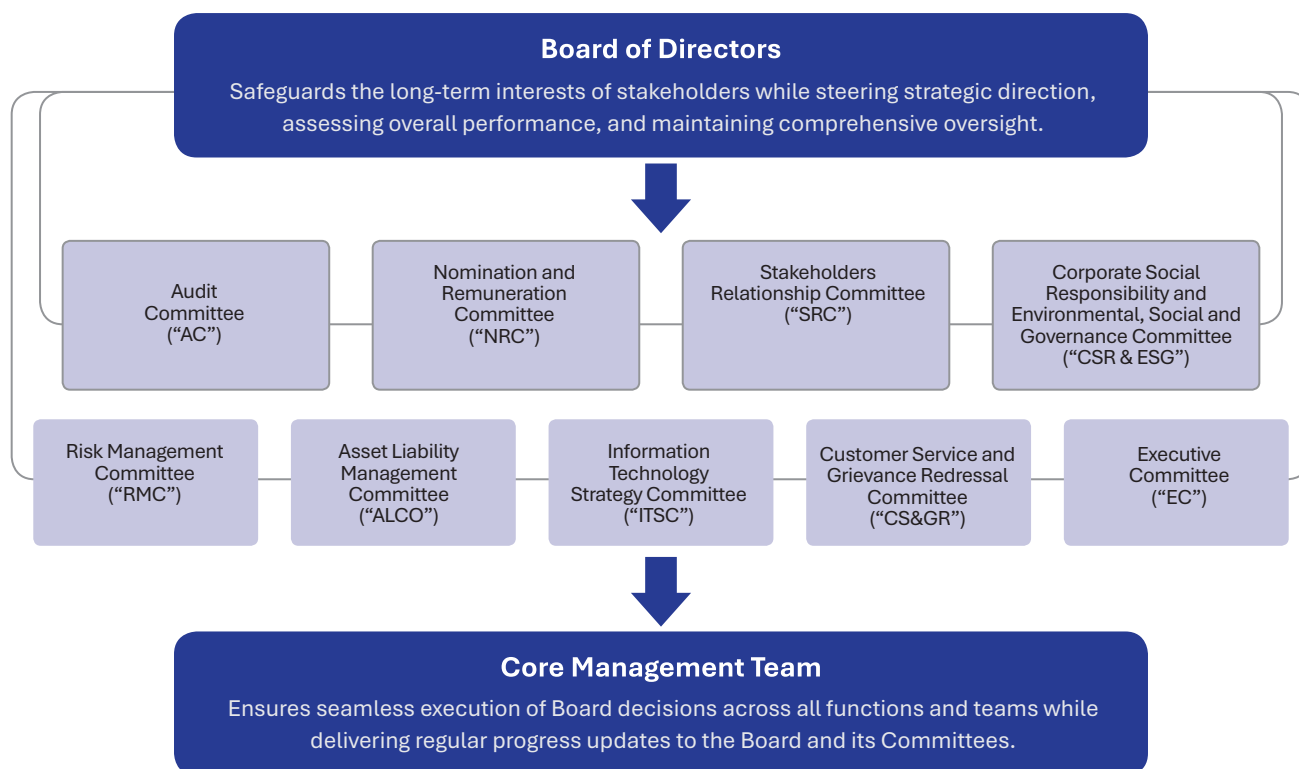
GOVERNANCE STRUCTURE AND DEFINED ROLES AND RESPONSIBILITIES

Corporate Governance at the Company is not a static framework but an evolving commitment, embedded in its strategic vision and day-to-day operations. The Company's business objectives are aligned with the broader goal of promoting the well-being and long-term interests of all stakeholders. At its core, Corporate Governance represents a robust system of principles, processes, and practices designed to ensure that the affairs of the Company are conducted with the highest standards of accountability, transparency, and fairness.

The overarching objective is to consistently meet stakeholder expectations while also upholding wider societal responsibilities. Strong governance practices are a reflection of the Company's dynamic culture and progressive mindset, evidenced through sustainable Shareholder value creation, sound credit standing, well-defined governance processes, and a performance-driven, entrepreneurial work environment.

A clear delineation of roles and responsibilities across the Company strengthens accountability, enhances operational efficiency, and enables effective communication and informed decision-making. The Company remains deeply conscious of its fiduciary duties and is committed to safeguarding the interests of all stakeholders, including Shareholders, by continuously striving to meet and exceed their expectations.

GOVERNANCE STRUCTURE



ETHICS/GOVERNANCE POLICIES

The Company is committed to upholding the highest standards of ethical conduct and responsible business practices, with a focus on creating a sustainable value for all its stakeholders. In furtherance of effective Corporate Governance, the Company has established a comprehensive framework of well-defined policies and procedures. These policies provide clear guidance on ethical behavior, and governance standards, and include, inter alia, the following:

- a) Code of Conduct for Board of Directors and the Senior Management Personnel
- b) Code of Conduct for Prohibition of Insider Trading in Company's Securities
- c) Vigil Mechanism/Whistle Blower Policy
- d) Corporate Social Responsibility Policy
- e) Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- f) Policy for Determination and Disclosure of Material Event/ Information to the Stock Exchange
- g) Policy for Preservation of Documents
- h) Policy for archival of website disclosures
- i) Internal Guidelines on Corporate Governance
- j) Prevention of Sexual Harassment Policy (Vishakha Policy)
- k) Policy on 'Know Your Customer' and 'Anti-Money Laundering Measures'
- l) Human Rights Policy
- m) Environmental Social and Governance Policy
- n) Anti-Bribery and Corruption Policy
- o) Equal Opportunity Policy
- p) Environmental and Social Policy
- q) Policy on Nomination & Remuneration for Directors, Key Managerial Personnel and Senior Management.
- r) Dividend Distribution Policy
- s) Policy for claiming unclaimed interest/dividend/ redemption amount on Non-convertible Securities
- t) Succession plan for appointment of Board of Directors and Senior Management
- u) Familiarization programme for Independent Directors

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (“BRSR”)

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

Following SEBI Circular HO/49/14/14(7)2025-CFD-POD2//3762/2026 dated January 30, 2026 SEBI has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators (“KPIs”) across nine ESG attributes.

Demonstrating its commitment to robust Corporate Governance and transparent sustainability disclosures, the Company has voluntarily implemented the BRSR Core framework over the last two Financial Years.

The Company is dedicated to year-on-year improvements in ESG performance, refining our systems and disclosure practices to deliver tangible impact and stay in step with shifting stakeholder expectations.

THE BOARD OF DIRECTORS

The Board of Directors (“Board”) and its Committees serve as the cornerstone of the Company’s governance framework, providing strategic direction and stewardship with a steadfast commitment to integrity, transparency, and accountability. The Board is collectively responsible for guiding the Company towards sustainable growth and long-term value creation while balancing the interests of all stakeholders.

Guided by the philosophy that “effective governance is the foundation of enduring enterprise value” the Company ensures an optimal mix of Independent and Non-Independent Directors. This ensures objective judgement, strengthens oversight, and reinforces a clear distinction between governance and management responsibilities, ensuring that no individual exercises unfettered decision-making powers.

The Board’s role extends beyond oversight to active leadership—shaping the Company’s strategic vision, reviewing and challenging management’s plans, and ensuring that the business model remains resilient, responsible, and future-ready. It sets the tone at the top by promoting a culture of ethical conduct, robust risk management, and disciplined performance evaluation.

In discharging its fiduciary duties, the Board is entrusted with the formulation of long-term strategy, approval of key policies, and monitoring of financial and operational performance. It ensures strict compliance with applicable laws and regulatory

frameworks, while continuously enhancing governance standards in line with global best practices. As emphasized in leading governance frameworks, the Board plays a central role in ensuring accountability, transparency, and fairness in corporate conduct. To enable focused and efficient oversight, the Board has constituted various Committees with clearly defined mandates. These Committees, comprising members with diverse expertise and experience, provide in-depth attention to critical areas, thereby enhancing the overall effectiveness of the Board’s governance processes.

a) Size and Composition of Board of Directors

The Company recognizes the importance of a diverse and well-balanced Board in driving sustainable growth and long-term stakeholder value. The Board comprises members with varied expertise, experience, skills and backgrounds, including finance, banking, risk management, governance, technology, and ESG, enabling a broad spectrum of perspectives in decision-making.

The composition of the Board is in compliance with Regulation 17 of the SEBI (LODR) Regulations, 2015, together with Section 149 & 152 of the Act, along with rules made thereunder and the relevant directions issued by the Reserve Bank of India. As on March 31, 2026, Company has an appropriate mix of Executive, Non-Executive, and Independent Directors, including Woman Independent Directors. None of the Directors are inter-se related.

The Independent Directors fulfil the criteria of independence as prescribed under Regulation 16(1)(b) read with Regulation 25(8) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013 along with rules made thereunder and have confirmed their registration in the databank maintained by the Indian Institute of Corporate Affairs in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. They have also affirmed that no circumstances exist that could impair their independent judgement.

The Board functions as the apex body, providing strategic direction, leadership, and oversight to the management. It actively participates in key decisions relating to business strategy.

The day-to-day operations of the Company are managed by the Managing Director under the overall supervision of the Board, which acts as a trustee to safeguard and enhance stakeholder value through effective governance and decision-making.

Board Composition as on March 31, 2026



■ 66.67% Male ■ 33.33% Female



■ 55.56% Non-Executive Nominee Directors
■ 33.33% Non-Executive Independent Directors
■ 11.11% Executive Director

As on March 31, 2026, the Board of the Company consists of 9 (Nine) Directors of whom 3 (Three) are Independent Directors (including the Chairperson and 2 (Two) Women Independent Directors), 5 (Five) are Non- Executive Nominee Directors and 1 (One) is Executive Director i.e. Managing Director and Chief Executive Officer (“CEO”). The Chairperson of the Company is a Non-Executive Independent Director.

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

The Company has furnished to National Housing Bank (“NHB”) the 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 is in conformity with the Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

The Composition of the Board of the Company as on March 31, 2026 is given below:

Name of Director	Designation and Category	DIN	No. & (%) of Equity shares Held *	No. of other Directorships **	No. of Committees***		Qualification/Experience
					As Member	As Chairperson	
Mr. Sandeep Tandon	Chairperson - Independent Director (Non- Executive)	00054553	-	12	3	1	Bachelor’s and Master’s in Electrical Engineering (More than 30 Years)
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	01874130	7,608 (0.01%)	3	1	1	Chartered Accountant (More than 31 Years)
Mrs. Soumya Rajan	Independent Director (Non- Executive)	03579199	-	11	2	1	M.A. (Oxon.) in Mathematics & B.A. (Honors) in Mathematics and Economics (More than 29 Years)
Mr. Sachinderpalsingh Jitendrasingh Bhinder [^]	Managing Director and CEO (Executive)	08697657	31,885 (0.04%)	1	1	-	B.E. Chemical and MBA (Marketing & Finance) (More than 25 years)
Mr. Siddharth Tapaswin Patel [#]	Nominee Director (Non-Executive)	07803802	-	3	-	-	Master of Arts and Bachelor of Arts (More than 24 Years)
Mr. Rohit Ranjan [#]	Nominee Director (Non-Executive)	00003480	-	1	-	-	M.B.A. (Finance) & Bachelor's in Arts (Honors) in Economic (More than 30 Years)

Name of Director	Designation and Category	DIN	No. & (%) of Equity shares Held *	No. of other Directorships **	No. of Committees***		Qualification/Experience
					As Member	As Chairperson	
Mr. Nikhil Omprakash Gahrotra [#]	Nominee Director (Non-Executive)	01277756	-	3	2	-	MBA (Finance) & Bachelor of Engineering (electronics) (More than 21 Years)
Mrs. Neha Sureka [#]	Nominee Director (Non-Executive)	10759936	-	2	1	-	Master of Management Studies & Bachelor of Engineering (Computer Science)
Mr. Anant Jain [#]	Nominee Director (Non-Executive)	06648006	-	3	1	-	M.B.A and B.B.A (More than 18 Years)

*No Convertible instruments were issued to Non-Executive Directors as on March 31, 2026.

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

***For the computation of the Committee Membership and Chairpersonship for a Director, the Audit Committee and the Stakeholders Relationship Committee of Company itself and other Public Limited Companies (whether listed or not) as per Regulation 26 of SEBI (LODR) Regulations, 2015 have been considered.

[#]Ceased to be the Managing Director and CEO of the Company w.e.f. Close of business hours of April 20, 2026. Further Mr. Manu Yeshpal Singh appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the shareholders of the Company) and Chief Executive Officer of the Company, w.e.f. April 21, 2026.

[#]Mr. Elcid Vergara, Mr. Siddharth Tapaswin Patel, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Anant Jain, were appointed as the Additional Non-Executive Non-Independent Directors w.e.f. June 30, 2025 and subsequently their appointment was approved by the Shareholders as Non-Executive Nominee Director at the Annual General Meeting held on September 16, 2025. Further Mr. Elcid Vergara ceased to be the Non-Executive Nominee Director of the Company w.e.f. October 15, 2025 and Mr. Rohit Ranjan was appointed as Additional Non-Executive Non-Independent Director w.e.f. October 15, 2025, whose appointment was subsequently approved by the Shareholders as Non-Executive Nominee Director via postal ballot passed on January 06, 2026.

The brief profile of the present Directors on the Board of the Company is available on the website of the Company at <https://www.aavas.in/meet-my-team>

b) Changes in the Composition of Board during Financial Year 2025-26

During the Financial Year 2025-26 the following changes have been occurred in the composition of the Board of Directors:

Name of the Director	Capacity	Nature of Change	Effective Date
Mr. Ramachandra Kasargod Kamath	Nominee Director (Non-Executive)	Resignation	June 30, 2025
Mr. Vivek Vig	Nominee Director (Non-Executive)	Resignation	June 30, 2025
Mr. Nishant Sharma	Promoter Nominee Director (Non-Executive)	Resignation	June 30, 2025
Mr. Manas Tandon	Promoter Nominee Director (Non-Executive)	Resignation	June 30, 2025
Mr. Rahul Mehta	Promoter Nominee Director (Non-Executive)	Resignation	June 30, 2025
Mr. Elcid Vergara [*]	Nominee Director (Non-Executive)	Appointment	June 30, 2025
Mr. Siddharth Tapaswin Patel	Nominee Director (Non-Executive)	Appointment	June 30, 2025

Name of the Director	Capacity	Nature of Change	Effective Date
Mr. Nikhil Omprakash Gahrotra	Nominee Director (Non-Executive)	Appointment	June 30, 2025
Mrs. Neha Sureka	Nominee Director (Non-Executive)	Appointment	June 30, 2025
Mr. Anant Jain	Nominee Director (Non-Executive)	Appointment	June 30, 2025
Mr. Rohit Ranjan	Nominee Director (Non-Executive)	Appointment	October 15, 2025

*ceased to be the Nominee Director (Non-Executive) of the Company w.e.f. October 15, 2025.

c) Board Diversity

Pursuant to the SEBI (LODR) Regulations, 2015, the Board, through the Nomination and Remuneration Committee, has instituted a robust "Policy on Board diversity". The Company ensures an appropriate blend of skills, experience, and perspectives to effectively steer governance and strategy. The Board comprises accomplished professionals with expertise spanning finance, technology, banking, law, risk management, and business transformation. This diversity of thought strengthens decision-making and enhances Board performance. Appointments are driven by merit, competence, and integrity. The Company remains committed to fostering an inclusive environment, free from discrimination of any kind.

d) Core Skills/Expertise/Competencies

The Board has adopted a "Policy on Board diversity". The Board represents a confluence of diverse backgrounds with skills, experience and expertise. For the purpose of Board composition, diversity includes, but is not limited to, educational and functional background, industry experience, geography, age, insider status, gender and ethnicity. The skills and backgrounds collectively represented on the Board reflects the diverse nature of the business environment in which the Company operates. The Board reviews its composition, skills and diversity from time to time to ensure that it remains aligned with the statutory as well as business requirements.

Pursuant to Regulation 34(3) read with Schedule V of SEBI (LODR) Regulations, 2015, a chart/ matrix of such core skills/ expertise/ competencies, along with the names of Directors who possess such skills is given below:

Sr. no	Matrix setting out the skills/ expertise/competence of the Board	1	2	3	4	5	6	7	8	9
	Name of the Director	Mr. Sandeep Tandon	Mrs. Kaipana Kaushik Mazumdar	Mrs. Soumya Rajan	Mr. Sachinderpalsingh Jitendrasingh Bhinder*	Mr. Siddharth Tapaswin Patel	Mr. Rohit Ranjan	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Anant Jain
	Designation	Chairperson - Independent Director	Independent Director	Independent Director	Managing Director and CEO	Nominee Director (Non-Executive)	Nominee Director (Non-Executive)	Nominee Director (Non-Executive)	Nominee Director (Non-Executive)	Nominee Director (Non-Executive)
	Gender (Male/Female)	Male	Female	Female	Male	Male	Male	Male	Female	Male
	Age (in years)	56	60	55	53	48	65	46	42	43
	Resident/Non Resident	Resident	Resident	Resident	Resident	Non-Resident	Resident	Resident	Resident	Resident
1	Technical Skills									
	Internal Audit, Accounting, Finance & Control	✓	✓	✓	✓	-	✓	✓	-	-
	Treasury-Asset Liability Management	-	✓	✓	✓	-	✓	✓	✓	-
	Risk Management	-	✓	✓	✓	-	✓	✓	-	-
	Legal and Compliance	✓	✓	✓	✓	-	✓	✓	✓	✓
	Information Technology and Digital	✓	-	-	✓	✓	-	-	✓	-
	Operations-Product and Sales Management	-	✓	-	✓	✓	✓	✓	✓	✓
	Strategic Development, Execution and Implementation	✓	-	-	✓	✓	-	✓	✓	-
	Human Resource	✓	-	✓	✓	✓	-	-	-	-
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)	-	✓	-	✓	-	✓	✓	-	-
	Marketing Experience	✓	-	✓	✓	✓	-	-	-	-
3	Personal Attributes									
	Active Contributor to the Board/ Committees	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Innovative Thinker/Visionary	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Philanthropic (CSR & ESG)	✓	✓	✓	✓	-	-	✓	✓	-
	Mentor	✓	-	-	✓	✓	-	✓	✓	-
	Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓

*Ceased to be the Managing Director and CEO of the Company w.e.f. Close of business hours of April 20, 2026.

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

e) Directorship of Directors in other Listed entities as on March 31, 2026 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 and Chairperson
		360 One Wam Limited	Non - Executive Independent Director
Mrs. Kalpana Kaushik Mazumdar	01874130	-	-
Mrs. Soumya Rajan	03579199	Vishal Mega Mart Limited	Non – Executive Independent Director
Mr. Sachinderpalsingh Jitendrasingh Bhinder*	08697657	-	-
Mr. Siddharth Tapaswin Patel	07803802	-	-
Mr. Rohit Ranjan	00003480	-	-
Mr. Nikhil Omprakash Gahrotra	01277756	-	-
Mrs. Neha Sureka	10759936	-	-
Mr. Anant Jain	06648006	-	-

*Ceased to be the Managing Director and CEO of the Company w.e.f. Close of business hours of April 20, 2026. Further Mr. Manu Yeshpal Singh appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the Shareholders of the Company) and Chief Executive Officer of the Company, w.e.f. April 21, 2026.

In terms of the provisions of Regulation 26(1) of the Listing Regulations, no Director on the Board of the Company is a Member of more than 10 (Ten) specified Committees and Chairperson in more than 5 (Five) specified Committees of the Company in which they are Directors, across all the Public Limited Companies, except Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Act.

In compliance with Section 165(1) of the Act, none of the Directors hold directorship in more than 20 (Twenty) Companies with not more than 10 (Ten) Public Limited Companies. In terms of the provisions of Regulation 17A of the SEBI (LODR) Regulations, 2015, none of the Independent Directors serve as an Independent Director in more than 7 (Seven) listed entities. None of the Whole Time Director/Managing Director serve as an Independent Director in more than 3 (Three) equity listed entities.

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 Board convenes at regular intervals in accordance with a structured annual calendar and a defined agenda, ensuring effective oversight of strategic, financial, operational, and

compliance matters. It is periodically apprised of key business developments through detailed presentations on operations, risk management, internal controls, financial performance, and regulatory updates. Comprehensive information, including statutory compliances and updates from Committees is placed before the Board on a quarterly basis.

The Board also reviews regulatory changes and their implications on the Company. A robust follow-up mechanism ensures timely implementation of decisions and recommendations. During the year, 7 (Seven) meetings were held, with provisions for participation through video conferencing to facilitate wider engagement. The Board also reviews and approves financial results, business plans, budgets, and monitors overall organizational performance.

The dates of the Board Meetings are fixed well in advance and intimated to the Board members to enable them to plan their schedule accordingly. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision making at the Board Meeting.

The information pertaining to mandatory items as specified in the Act, SEBI (LODR) Regulations, 2015 and other applicable laws, along with other business issues, is regularly provided to the Board of Directors as part of the agenda papers at least one week in advance of the Board Meetings (except for certain unpublished price sensitive information which is circulated at a shorter notice).

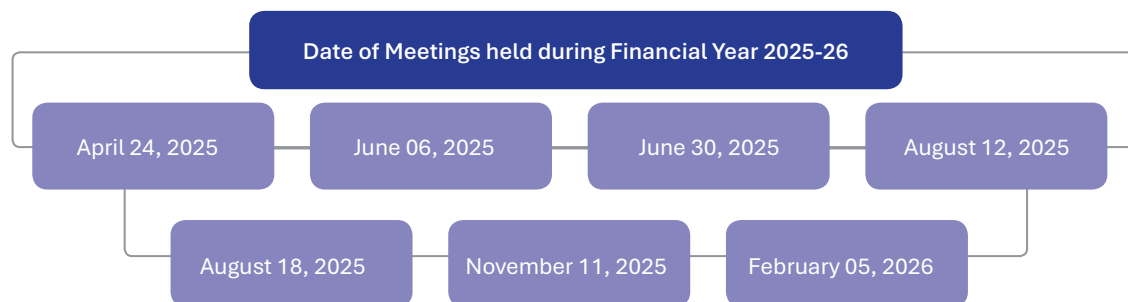
Senior Management including the Chief Financial Officer (“CFO”) are invited to attend the Board Meetings so as to provide additional inputs on the items being discussed by the Board of Directors. At the Board Meetings, Executive Director and Senior Management explain the Board members on various matters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

POST MEETING FOLLOW UP MECHANISM

The Company has established a robust post Board Meeting follow up mechanism to ensure effective implementation of decisions. An Action Taken Report (“ATR”) on matters approved at each meeting is presented at the immediately succeeding meeting for information and review of the Board of Directors. Further, the Board of Directors has instituted a structured

framework to periodically review compliance reports covering all applicable laws, along with corrective measures undertaken to address any instances of non-compliance, if any.

The Board of Directors convenes atleast once in every quarter to review the Quarterly Financial Results and deliberate on other items of the agenda and if necessary, additional meetings are held as and when required to address business exigencies. The intervening gap between the meetings was within the period prescribed under Regulation 17(2) of the SEBI (LODR) Regulations, 2015, the Companies Act, 2013 and Secretarial Standard - 1 issued by Institute of Company Secretaries of India. During the Financial Year 2025-26, the Board met 7 (Seven) times.



Attendance of Directors at the Board Meetings held during the Financial Year 2025-26 and at the last Annual General Meeting are as under:

Name of Director	Designation & Category	No. of Meetings entitled to attend	No. of Meetings Present							% of attendance	Attendance at the last AGM held on September 16, 2025
			April 24, 2025	June 06, 2025	June 30, 2025	August 12, 2025	August 18, 2025	November 11, 2025	February 05, 2026		
Mr. Sandeep Tandon	Chairperson and Independent Director (Non-Executive)	7	✓	✓	✓	✓	✓	✓	X [#]	85.71%	Yes
Mrs. Kalpana Kaushik Mazumdar~	Independent Director (Non-Executive)	7	✓	✓	✓	✓	X [#]	✓	✓	85.71%	Yes
Mrs. Soumya Rajan	Independent Director (Non- Executive)	7	✓	✓	✓	✓	✓	✓	✓	100%	Yes
Mr. Sachinderpalsingh Jitendrasingh Bhinder [§]	Managing Director and CEO (Executive)	7	✓	✓	✓	✓	✓	✓	✓	100%	Yes
Mr. Ramachandra Kasargod Kamath [*]	Nominee Director (Non- Executive)	3	✓	X [#]	✓	NA	NA	NA	NA	66.66%	NA
Mr. Vivek Vig [*]	Nominee Director (Non- Executive)	3	✓	X [#]	✓	NA	NA	NA	NA	66.66%	NA
Mr. Nishant Sharma [*]	Promoter Nominee Director (Non- Executive)	3	✓	✓	X [#]	NA	NA	NA	NA	66.66%	NA
Mr. Manas Tandon [*]	Promoter Nominee Director (Non- Executive)	3	X [#]	✓	X [#]	NA	NA	NA	NA	33.33%	NA
Mr. Rahul Mehta [*]	Promoter Nominee Director (Non- Executive)	3	✓	✓	✓	NA	NA	NA	NA	100%	NA

Name of Director	Designation & Category	No. of Meetings entitled to attend	No. of Meetings Present							% of attendance	Attendance at the last AGM held on September 16, 2025
			April 24, 2025	June 06, 2025	June 30, 2025	August 12, 2025	August 18, 2025	November 11, 2025	February 05, 2026		
Mr. Elcid Vergara*	Nominee Director (Non- Executive)	2	NA	NA	NA	√	X#	NA	NA	50%	Yes
Mr. Siddharth Tapaswin Patel**	Nominee Director (Non- Executive)	4	NA	NA	NA	√	√	√	√	100%	Yes
Mr. Rohit Ranjan**	Nominee Director (Non- Executive)	2	NA	NA	NA	NA	NA	√	√	100%	NA
Mr. Nikhil Omprakash Gahrotra**	Nominee Director (Non- Executive)	4	NA	NA	NA	√	√	√	√	100%	Yes
Mrs. Neha Sureka**	Nominee Director (Non- Executive)	4	NA	NA	NA	√	√	√	√	100%	Yes
Mr. Anant Jain**	Nominee Director (Non- Executive)	4	NA	NA	NA	√	X#	√	√	75%	Yes

*Tenure of Mrs. Kalpana Kaushik Mazumdar is set to expire on June 22, 2026, the resulting vacancy will suitably be filled by the Board within the regulatory timelines.

*Ceased to be the Managing Director and CEO of the Company w.e.f. Close of business hours of April 20, 2026. Further, Mr. Manu Yeshpal Singh appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the Shareholders of the Company) and Chief Executive Officer of the Company, w.e.f. April 21, 2026.

*Resigned w.e.f. June 30, 2025.

**Appointed as Additional Non-Executive Non-Independent Director w.e.f. June 30, 2025 and subsequently their appointment was approved by the Shareholders as an Non-Executive Nominee Director at the Annual General Meeting held on September 16, 2025.

^Appointed as Additional Non-Executive Non-Independent Director w.e.f. June 30, 2025 and subsequently their appointment was approved by the Shareholders as Non-Executive Nominee Director at the Annual General Meeting held on September 16, 2025 and further resigned as Non-Executive Nominee Director w.e.f. October 15, 2025.

^^Appointed as an Additional Non-Executive Non-Independent Director w.e.f. October 15, 2025 and the Shareholders of the Company via Postal Ballot passed on January 06, 2026, approved his appointment as Non-Executive Nominee Director.

#Leave of Absence was granted.

INDEPENDENT DIRECTORS

Independent Directors form a vital pillar of the Company's Corporate Governance framework, bringing objectivity, balanced judgment, and integrity to the Board's deliberations. Their presence fosters impartial decision-making and ensures that the interests of all stakeholders, particularly minority Shareholders, are duly safeguarded. Through independent oversight and constructive engagement with management, they reinforce the Board's effectiveness and elevate the overall governance standards of the Company.

The Company has duly obtained the requisite declarations from all the Independent Directors under Section 149(7) of the Act and Regulation 25(8) of SEBI (LODR) Regulations, 2015 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. These Directors have also affirmed compliance with the Code for Independent Directors as outlined in Schedule IV of the Act.

Further, the Company has also received requisite confirmations with the provisions of Rule 6(1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of

Corporate Affairs, Manesar, for inclusion/ renewal of name in the data bank of Independent Directors. The Board is satisfied that the Independent Directors possess the requisite integrity, domain expertise, and experience, including adequate proficiency in terms of applicable regulatory requirements. The Independent Directors actively contribute to the Board and Committee proceedings by offering valuable perspectives on strategy, performance, risk oversight, and governance practices. Their role remains instrumental in upholding ethical standards, promoting transparency in financial reporting, and ensuring the robustness of internal control systems.

None of the Independent Directors tendered their resignation during the Financial Year 2025-26.

a) Terms and Conditions of Appointment of Independent Directors

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

b) Fit & Proper Criteria

Pursuant to the applicable regulatory framework, including the RBI Master Directions, Reserve Bank of India (Non-Banking Financial Companies - Governance)

Directions, 2025 the Company has formulated and adopted a "Policy on Fit & Proper Criteria" for the Directors. All the Directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under Chapter IV of Master Direction – Reserve Bank of India (Non-Banking Financial Company- Governance) Directions, 2025 as amended from time to time, and they are not disqualified from being appointed/re-appointed/continuing as Directors in terms of Section 164(2) of the Act. This Policy reflects the Company's commitment to maintaining the highest standards of governance by ensuring that individuals entrusted with Board responsibilities possess integrity, competence, sound judgement, and a proven track record of ethical conduct.

c) Familiarization Programmes for the Independent Directors

The Company places significant emphasis on equipping its Directors, particularly Independent Directors, with a comprehensive understanding of its business and the evolving regulatory landscape. In compliance with the provisions of the Act, and Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company conducts structured familiarization programmes at periodic intervals. These initiatives are designed to provide meaningful insights into the Company's operations, industry dynamics, and regulatory environment, thereby enabling Directors to contribute effectively and make informed decisions in the best interests of the Company and its stakeholders.

At the time of appointment, Independent Directors are inducted through a detailed orientation programme, which familiarizes them with the Company's business model, strategic priorities, organizational structure, and the sector in which it operates. This is complemented by continuous updates on key developments, including changes in regulatory requirements, risk management practices, and governance standards. The Board is regularly apprised of significant business and industry developments, ensuring that Directors remain well-informed and aligned with the Company's strategic direction.

The familiarization process is seamlessly integrated into the Board and Committee meetings, where detailed presentations on operations, financial performance, risk frameworks, industry trends, competition, and long-term strategy are made on a periodic basis. In addition, the Company circulates regular updates, including summaries of important regulatory changes, circulars issued by regulators, and relevant case laws, enabling Directors to stay abreast of the external environment. This continuous knowledge-sharing framework strengthens the Board's effectiveness and enhances its ability to provide strategic guidance and oversight.

The details of the familiarization programmes imparted to Directors are available on the website of the Company at <https://www.aavas.in/codes-and-policies>

d) Selection and Appointment of Directors

The Nomination and Remuneration Committee of Directors recommends and the Board approves the appointment/re-appointment of non-executive and executive Directors, subject to the approval of the Shareholders. The process for re-appointment of Non-Executive Directors entails a detailed evaluation of the balance of skills, knowledge and experience of the existing Directors. New Directors are inducted after assessing skill requirements of the Board and identifying areas of expertise which would be beneficial to the Company. The Company recognizes the importance of a diverse Board which leverages different perspectives, knowledge, experience and expertise, which would help the Company retain its competitive advantage.

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

COMMITTEES OF THE BOARD OF DIRECTORS

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

The Board at the time of constitution of each Committee defines the terms of reference and the role and responsibilities of the Committees and delegates powers which is reviewed by the Board from time to time. Various recommendations of the Committees are submitted to the Board for approval.

The Board has accepted all the decisions and recommendations of the Committees during the Financial Year 2025-26. The composition and functioning of these Board Committees is in compliance with the applicable provisions of the Act, SEBI (LODR) Regulations, 2015 and RBI Master Direction.

Details of the Committees of the Board as on March 31, 2026 and other related information are as follows:

Board Committees		
Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee
Mrs. Kalpana Kaushik Mazumdar Mr. Sandeep Tandon Mrs. Soumya Rajan Mr. Nikhil Omprakash Gahrotra*	Mrs. Soumya Rajan Mr. Sandeep Tandon Mr. Siddharth Tapaswin Patel**	Mr. Sandeep Tandon Mr. Sachinderpalsingh Jitendrasingh Bhinder Mr. Nikhil Omprakash Gahrotra* Mrs. Neha Sureka#
Corporate Social Responsibility and Environmental, Social and Governance Committee	Risk Management Committee	Asset Liability Management Committee
Mr. Nikhil Omprakash Gahrotra* Mrs. Kalpana Kaushik Mazumdar Mr. Sachinderpalsingh Jitendrasingh Bhinder Mr. Rohit Ranjan^	Mr. Nikhil Omprakash Gahrotra* Mrs. Soumya Rajan Mr. Sachinderpalsingh Jitendrasingh Bhinder^^^ Mr. Rohit Ranjan^	Mr. Sachinderpalsingh Jitendrasingh Bhinder^^^ Mr. Rohit Ranjan^ Mr. Nikhil Omprakash Gahrotra* Mr. Ghanshyam Rawat Mr. Ashutosh Atre Mr. Ripudaman Bandral
Information Technology Strategy Committee	Executive Committee	Customer Service and Grievance Redressal Committee
Mr. Sandeep Tandon Mr. Sachinderpalsingh Jitendrasingh Bhinder Mrs. Neha Sureka#	Mr. Nikhil Omprakash Gahrotra* Mr. Sachinderpalsingh Jitendrasingh Bhinder^^^ Mrs. Neha Sureka# Mr. Ghanshyam Rawat Mr. Ripudaman Bandral##	Mr. Sachinderpalsingh Jitendrasingh Bhinder^^^ Mr. Ghanshyam Rawat Mr. Ashutosh Atre Mr. Ashish Gautam^^ Chairperson Member

*Appointed as the Member of Audit Committee, Stakeholder Relationship Committee, Asset Liability Management Committee, & Chairperson of CSR & ESG Committee, Risk Management Committee & Chairperson of Executive Committee w.e.f. June 30, 2025.

**Appointed as the Member of Nomination and Remuneration Committee w.e.f. June 30, 2025.

#Appointed as the Member of Stakeholder Relationship Committee, CSR & ESG Committee, Risk Management Committee, Asset Liability Management Committee, Executive Committee & IT Strategy Committee w.e.f. June 30, 2025.

##Appointed as the Member of the Executive Committee w.e.f. June 30, 2025.

^Appointed as the Member of the Risk Management Committee, CSR & ESG Committee, Stakeholder Relationship Committee & Asset Liability Management Committee w.e.f. November 11, 2025.

^^Appointed as the Member of the Customer Service & Grievance Redressal Committee w.e.f. November 11, 2025.

^Appointed as the Member of the Risk Management Committee w.e.f. November 11, 2025.

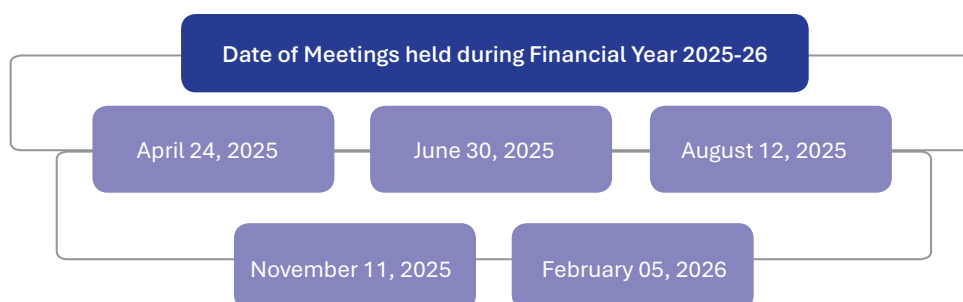
§Mr. Nikhil Omprakash Gahrotra appointed as the Member of the IT Strategy Committee w.e.f. April 28, 2026.

***Mr. Manu Yeshpal Singh appointed as the Managing Director (subject to receipt of approval from the Reserve Bank of India and approval of the Shareholders of the Company) and Chief Executive Officer of the Company, w.e.f. April 21, 2026 and appointed as the Member of Risk Committee, and Executive Committee & Chairperson of Asset Liability Management Committee & Customer Grievance and Redressal Committee w.e.f. April 28, 2026.

AUDIT COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015 and as per RBI (NBFC-Governance) Directions, 2025. The primary objective of the Committee include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review statement of deviations, if any, review Management letters/ letters of internal control weaknesses issued by the statutory auditors, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI (LODR) Regulations, 2015 and RBI Regulations. During the Year under review, the Committee of the Company met 5 (Five) times during the Financial Year 2025-26 as below:



At present, the Committee consists of 4 (Four) Directors as its Members, out of them 2/3rd are Independent Directors and all of them being Non-Executive Directors. The Committee is being chaired by an Independent Director. All the Members of the Committee are financially literate and majority of the Members including the Chairperson possess accounting or related financial management expertise. The meetings were scheduled well in advance and not more than 120 days elapsed between any two consecutive meetings.

During the Year under review, the Committee was re-constituted effective June 30, 2025 by the Board.

During Financial Year 2025-26, the Board has accepted and implemented the recommendations of the Audit Committee, whenever provided by it. The Chief Financial Officer, Internal Auditor and Statutory Auditors attended the meetings as invitees who were considered necessary for providing inputs to the Committee.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 24, 2025	June 30, 2025	August 12, 2025	November 11, 2025	February 05, 2026
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	Chairperson & Member	✓	✓	✓	✓	✓
Mr. Sandeep Tandon	Independent Director (Non- Executive)	Member	✓	✓	✓	✓	X [#]
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Member	✓	✓	✓	✓	✓
Mr. Ramachandra Kasargod Kamath*	Nominee Director (Non- Executive)	Member	✓	✓	NA	NA	NA
Mr. Nikhil Omprakash Gahrotra**	Nominee Director (Non- Executive)	Member	NA	NA	✓	✓	✓

*Ceased to be the Member of the Committee w.e.f. June 30, 2025.

**Appointed as the Member of the Committee w.e.f. June 30, 2025.

#Leave of absence was granted.

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the Financial Statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to Financial Statements;
 - f) Disclosure of any related party transactions; and
 - g) Modified opinion(s) in the draft Audit Report.
5. Reviewing with the Management, the Quarterly Financial Statements before submission to the Board for approval;
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilization of proceeds of public issue or rights issue or preferential issue or Qualified Institution Placement, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing with the Management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
13. Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audits;
14. Discussion with Internal Auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Overseeing the vigil mechanism established by our Company and the Chairperson of Audit Committee shall directly hear grievances of victimization of Employees and Directors, who use vigil mechanism to report genuine concerns;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of the Company or specified / provided under the Act or by the SEBI (LODR) Regulations, 2015 or by any other regulatory authority;
22. Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Company and its Shareholders;
 24. To review management discussion and analysis of financial condition and results of operations;
 25. To review management letters / letters of internal control weaknesses issued by the statutory auditors;
 26. To review Internal Audit reports relating to internal control weaknesses;
 27. To review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
 28. Statement of deviations in terms of the SEBI (LODR) Regulations, 2015:
 - a) Quarterly statement of deviation(s) including report of Monitoring Agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32 (1) of the SEBI (LODR), Regulations, 2015; and
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.
 29. Any other power as may be given under SEBI (LODR) Regulations, 2015, the Act, or other applicable regulations.
- Further, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

NOMINATION AND REMUNERATION COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and as per RBI (NBFC-Governance) Directions, 2025.

These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a Director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual Directors, recommendation of Remuneration Policy for Directors, Key Managerial Personnel and other Employees, formulation of criteria for evaluation of performance of Independent Directors and the Board, devising a Policy on Board diversity and such other matters as may be prescribed by the Act, SEBI (LODR) Regulations, 2015 and RBI Regulations.

During the Year under review, the Committee met 5 (Five) times during the Financial Year 2025-26 as below:



At present, the Committee consists of 3 (Three) Directors as its Members with 2 (Two) of them being Independent Directors. The Committee is being chaired by an Independent Director.

During the Year under review, the Committee was re-constituted effective June 30, 2025 by the Board.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 24, 2025	June 30, 2025	August 12, 2025	August 18, 2025	November 11, 2025
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Chairperson & Member	✓	✓	✓	✓	✓
Mr. Sandeep Tandon	Independent Director (Non- Executive)	Member	✓	✓	✓	✓	✓
Mr. Nishant Sharma*	Promoter Nominee Director (Non- Executive)	Member	✓	X [#]	NA	NA	NA
Mr. Siddharth Tapaswin Patel**	Nominee Director (Non- Executive)	Member	NA	NA	✓	✓	✓

*Ceased to be the Member of the Committee w.e.f. June 30, 2025.

**Appointed as the Member of the Committee w.e.f. June 30, 2025.

[#]Leave of absence was granted.

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
 - 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.
- Framing suitable policies and systems to ensure that there is no violation by any Employee of any applicable law in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ("SEBI PIT Regulations");
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

- c) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee.

Performance Evaluation of the Board, its Committees and Individual Directors, including Independent Directors

In accordance with Section 178 of the Act, the Nomination and Remuneration Committee, together with the Board, has instituted a well-defined mechanism for carrying out the annual performance assessment of the Board, its Committees, and individual Directors, including Independent Directors.

Additionally, in line with Clause VII of Schedule IV of the Act and the SEBI (LODR) Regulations, 2015 and the guidance note on Board evaluation dated January 05, 2017 issued by SEBI, the assessment of Independent Directors is undertaken by the Board as a whole, excluding the Director being evaluated. The evaluation focuses on their performance, adherence to independence criteria, and ability to exercise unbiased and objective judgment. The findings of this assessment serve as a key consideration in determining the continuation or renewal of their appointment.

During the Financial Year 2025-26, the Company carried out the performance evaluation of the Board, its Committees, and individual Board Members (including Independent Directors) in a systematic and structured manner, consistent with the evaluation framework adopted by the Company. This framework ensures a fair, objective, and comprehensive review of the Board's effectiveness and governance practices.

The evaluation parameters for Independent Directors include, among other factors, the effective utilisation of their expertise, level of commitment to their responsibilities, engagement with stakeholders, readiness to dedicate sufficient time and effort, adherence to ethical standards and regulatory requirements, and meaningful contribution through active participation and independent thinking in Board discussions. The summary of the performance evaluation conducted by the Board of the Directors was presented separately to the Nomination and Remuneration Committee and the Board.

To streamline and strengthen the evaluation process, the Company has implemented the "Digi Company Board Evaluation" platform, a web-based solution that supports a structured, matrix-driven assessment approach. The platform enables Directors to provide inputs efficiently, consolidates responses through a unified system, and generates automated reports while maintaining strict confidentiality and anonymity.

The Board noted with satisfaction the robustness and effectiveness of the evaluation process.

Policy on Nomination & Remuneration for Directors, Key Managerial Personnel and Senior Management Personnel

The success of any organisation in achieving good performance and governance depends on its ability to attract quality individuals on the Board. Pursuant to Section 178(3) of the Act, and Regulation 19(4) read with Part D of schedule II of the SEBI (LODR) Regulations, 2015 and Master Directions on Scale Based regulations issued and amended from time to time by the RBI. The Company has in place a "Remuneration Policy". This Policy, inter alia, lays down:

- The criteria for determining qualifications, positive attributes, and independence of Directors;
- Framework for payment of Remuneration to the Directors (Executive & Non-Executive), Key Managerial Personnel, Senior Management Personnel and other employees;
- To ascertain the fit and proper criteria in respect of the Directors at the time of appointment and on a continuing basis as per the policy of the Company in the same regard;
- To carry out evaluation of the performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; and
- To grant reward linked directly to their effort, performance, dedication and achievement relating to Company's operations and the results expected therefrom.

The Company's "Remuneration Policy" is aligned to business strategy, market dynamics, internal characteristics and complexities within the Company. The ultimate objective of the Policy is to provide a fair and transparent structure that helps in acquiring and retaining the talent pool critical to build competitive advantage and brand equity. The Policy has been designed basis the principles for sound compensation practices in accordance with regulatory requirements and provides a framework to create, modify and maintain appropriate compensation programs and processes with adequate supervision and control.

The remuneration paid to the Directors is in line with the "Remuneration Policy" of the Company. The Remuneration Policy can be accessed on the website of the Company at <https://www.aavas.in/codes-and-policies>

Remuneration paid to Non-Executive Directors

a) Non-Executive Directors:

Equivalent Consolidated Remuneration is paid to Non-Executive Directors as profit linked commission on quarterly basis for attending the Committee and Board Meetings instead of paying sitting fees separately. The amount payable to the Non-Executive Directors is approved by the Board based on the recommendation of Nomination & Remuneration Committee and is within the overall limits as approved by the Shareholders of the Company from time to time.

Details of the Remuneration paid to each Non- Executive Directors during the Financial Year 2025-26 is set out in the below table:

(₹ in lakh)

Name of the Director	Remuneration			
	Salary and Other Compensation	Stock Options	Commission	Sitting Fees
Mr. Sandeep Tandon	-	-	30.00	-
Mrs. Kalpana Kaushik Mazumdar	-	-	30.00	-
Mrs. Soumya Rajan	-	-	30.00	-
Mr. Ramachandra Kasargod Kamath*	-	-	07.50	-
Mr. Vivek Vig*	-	-	07.50	-
Mr. Nishant Sharma*	-	-	-	-
Mr. Manas Tandon*	-	-	-	-
Mr. Rahul Mehta*	-	-	-	-
Mr. Elcid Vergara**	-	-	-	-
Mr. Siddharth Tapaswin Patel**	-	-	-	-
Mr. Rohit Ranjan^	-	-	15.00	-
Mr. Nikhil Omprakash Gahrotra**	-	-	-	-
Mrs. Neha Sureka**	-	-	-	-
Mr. Anant Jain**	-	-	-	-

*Mr. Ramachandra Kasargod Kamath, Mr. Vivek Vig, Mr. Nishant Sharma, Mr. Manas Tandon and Mr. Rahul Mehta ceased to be the Promoter Nominee Director (Non-Executive) of the Company w.e.f. June 30, 2025. Further Mr. Nishant Sharma, Mr. Manas Tandon & Mr. Rahul Mehta have not received any remuneration of the Company.

**Mr. Elcid Vergara, Mr. Siddharth Tapaswin Patel, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Anant Jain were appointed as Additional Non-Executive Non-Independent Directors of the Company w.e.f. June 30, 2025 and subsequently their appointment was approved by the Shareholders as Non-Executive Nominee Director at the Annual General Meeting held on September 16, 2025 and Further, Mr. Elcid Vergara was ceased to be the Nominee Director (Non-Executive) of the Company w.e.f. October 15, 2025. They have not received any remuneration of the Company.

^Mr. Rohit Ranjan was appointed as Additional Non-Executive Non-Independent Director w.e.f. October 15, 2025, whose appointment was subsequently approved by the Shareholders as Non-Executive Nominee Director via postal ballot passed on January 06, 2026.

• All pecuniary relationship or transactions of the Non-Executive Directors with the Company

None of the Non-Executive Directors have any pecuniary relationship or transaction with the Company apart from receiving remuneration in the form of profit linked commission. During the Financial Year 2025-26, the Company did not advance any loans to any of its Directors. Pursuant to the provisions of Section 149(9) of the Act, and Regulation 17(6)(d) of the (LODR) Regulations, 2015, an Independent Director shall not be entitled to any stock option. In compliance with the above provisions, the Company has not granted any employee stock

options to any of the Independent Directors during the period under review.

• Details of service contracts, notice period and severance fees

Service contracts, notice period and severance fees are not applicable to Non-Executive and/or Independent Director.

• Criteria of making payments to Non-Executive Directors

The criteria for making payment to Non-Executive Directors including Independent Directors are prescribed in the Nomination and Remuneration Policy which is available on the website of the Company at <https://www.aavas.in/codes-and-policies>

b) Executive Director

• Details of fixed components and performance linked incentives along with the Performance Criteria:

The elements of compensation of Executive Directors comprise a fixed component and performance incentive. The compensation is determined based on the level of responsibility and scales prevailing in the industry. Executive Directors are not paid sitting fees for any Board/Committee meetings attended by them.

Details of the remuneration paid to Mr. Bhinder during the Financial Year 2025-26 is as below:

(₹ in lakh)

Particulars	Details
Fixed Salary	₹ 249.42
Variable Pay/Performance Linked Bonus	₹ 129.22
Stock Options	(i) 7,328 options granted under PSOP-2023 on August 12, 2025 to be vested and exercised as per terms of PSOP-2023. (ii) 3,65,000 options granted under ESOP-2025 on November 11, 2025 to be vested and exercised as per the terms of ESOP-2025.
Others	Other benefits as per the terms of agreement and as approved by the Shareholders of the Company.

• Details of service contracts, notice period and severance fees

Service contract, notice period and severance fees are as per the Employment Agreement dated May 03, 2023 and amended by the addendum dated June 25, 2025 executed between the Company and Mr. Bhinder. Mr. Bhinder ceased to be Managing Director and CEO of the Company w.e.f. close of business hours of April 20, 2026.

Executive Directors (not being a Promoter) are eligible to receive employee stock options.

As on March 31, 2026, Mr. Sachinderpalsingh Jitendrasingh Bhinder was the Managing Director and Chief Executive Officer of the Company. His remuneration package comprises of salary, performance linked bonus and other benefits as approved by the Shareholders of the Company. The remuneration paid to him is governed by Employment Agreement executed between him and the Company.

of measures taken for effective exercise of voting rights by Shareholders. During the Financial Year 2025-26, no investor complaints were received by the Company.

During the Year under review, the Committee met 4 (Four) times during the Financial Year 2025-26 as below:



STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of the Schedule II of the SEBI (LODR) Regulations, 2015. The Committee ensures cordial investor relations, oversees the mechanism for redressal of investors' grievances and specifically looks into various aspects of interest of Shareholders. The Committee specifically looks into redressing Shareholders/ investors complaints/ grievances pertaining to share transfers/ transmission, non-receipts of Annual Reports, and other allied complaints. The Committee also monitors and reviews the mechanism of dematerialization of shares and payment of dividends, adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent, measures taken for effective exercise of voting rights by Shareholders. Further, review

At present, the Committee consists of 3 (Three) Directors as its Members with one of them being an Independent Director. The Committee is being chaired by an Independent Director.

During the Year under review, the Committee was re-constituted effective June 30, 2025 by the Board.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended			
			April 24, 2025	August 12, 2025	November 11, 2025	February 05, 2026
Mr. Sandeep Tandon	Independent Director (Non-Executive)	Chairperson & Member	✓	✓	✓	X [#]
Mr. Sachinderpalsingh Jitendrasingh Bhinder [*]	Managing Director and CEO (Executive)	Member	✓	✓	✓	✓
Mr. Vivek Vig ^{**}	Nominee Director (Non- Executive)	Member	✓	NA	NA	NA
Mr. Rahul Mehta ^{**}	Promoter Nominee Director (Non- Executive)	Member	✓	NA	NA	NA
Mr. Nikhil Omprakash Gahotra [^]	Nominee Director (Non- Executive)	Member	NA	✓	✓	✓
Mrs. Neha Sureka [^]	Nominee Director (Non- Executive)	Member	NA	✓	✓	✓

^{*}Ceased to be the Member of the Committee w.e.f. April 20, 2026.

^{**}Ceased to be the Member of the Committee w.e.f. June 30, 2025.

[^]Appointed as the Member of the Committee w.e.f. June 30, 2025.

[#]Leave of absence was granted.

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by Shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/Annual Reports/statutory notices by the Shareholders of the Company.
5. Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.

Name & Designation of Compliance Officer

Name and Designation	Mr. Saurabh Sharma, Company Secretary & Compliance Officer
Corporate Office Address	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020
Contact Details	Tel: +911414659221, E-Mail: investorrelations@aavas.in

The Board of Directors has appointed Mr. Saurabh Sharma, as the Company Secretary & Compliance Officer of the Company in terms of Regulation 6 of SEBI (LODR) Regulations, 2015 w.e.f January 31, 2025.

Details of Investor Complaints

Details of complaints received and resolved to the satisfaction of the Shareholders by the Company during Financial Year 2025-26 are given below. During the year under review, no investor complaints were received by the Company.

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

Arbitration Mechanism (ODR Mechanism)

SEBI has vide Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/ CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023) amended from time to time, established a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. This information along with SEBI circular is available on the website of the Company at <https://smartodr.in/login> for the Shareholders' information and reference.

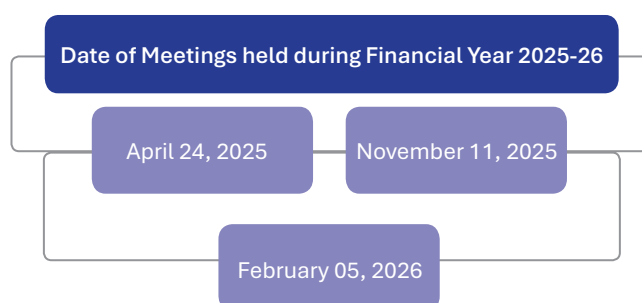
SCORES (SEBI COMPLAINTS REDRESSAL SYSTEM)

The Company has made continuous efforts to ensure that grievances are more expeditiously redressed. SEBI Complaints Redress System ("SCORES") administers a centralised web-based complaints redress system. It enables investors to lodge and follow up complaints and track the status of online redressal. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") COMMITTEE

The Committee is governed by the regulatory requirements mandated by Section 135 of the Companies Act, 2013. The Committee includes formulation and recommendation of a Corporate Social Responsibility and ("ESG") Policy for the Company, formulate an annual action plan for the CSR & ESG activities, recommend the amount of expenditure to be incurred on the CSR activities, monitor the CSR and ESG Policy of the Company from time to time and institute a transparent monitoring mechanism for implementing the CSR projects/programmes/activities and carry out any other function or activity as may be required to ensure that the CSR and ESG objectives are met.

During the Year under review, the Committee met 3 (Three) times during the Financial Year 2025-26 as below:



At present, the Committee comprises of 3 (Three) Directors as its Members including one of them being an Independent Director. The Committee is being chaired by Non-Independent Director.

During the Year under review, the Committee was re-constituted effective June 30, 2025 & November 11, 2025 by the Board. The composition of CSR Committee is in conformity with the applicable provisions of the Act.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended		
			April 24, 2025	November 11, 2025	February 05, 2026
Mr. Rahul Mehta*	Promoter Nominee Director (Non- Executive)	Chairperson & Member	✓	NA	NA
Mr. Nikhil Omprakash Gahotra**	Nominee Director (Non- Executive)	Chairperson & Member	NA	✓	✓
Mrs. Kalpana Kaushik Mazumdar	Independent Director (Non- Executive)	Member	✓	✓	✓
Mr. Sachinderpalsingh Jitendrasingh Bhinder***	Managing Director and CEO (Executive)	Member	✓	✓	✓
Mr. Vivek Vig#	Nominee Director (Non- Executive)	Member	✓	NA	NA
Mr. Rohit Ranjan##	Nominee Director (Non- Executive)	Member	NA	NA	✓
Mrs. Neha Sureka^	Nominee Director (Non- Executive)	Member	NA	✓	NA

*Ceased to be the Chairperson & Member of the Committee w.e.f. June 30, 2025.

**Appointed as the Chairperson & Member of the Committee w.e.f. June 30, 2025.

***Ceased to be the Member of the Committee w.e.f. April 20, 2026.

#Ceased to be the Member of the Committee w.e.f. June 30, 2025.

##Appointed as the Member of the Committee w.e.f. November 11, 2025.

^Appointed as the Member of the Committee w.e.f. June 30, 2025 & ceased to be the Member of the Committee w.e.f. November 11, 2025.

The terms of reference of the Corporate Social Responsibility and Environmental, Social and Governance Committee inter-alia includes the following:

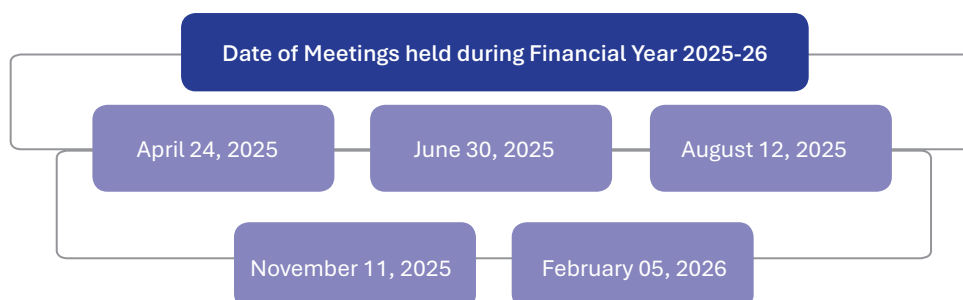
1. To formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;
2. To recommend the amount of expenditure to be incurred on the CSR activities to be undertaken;
3. To monitor the CSR Policy of the Company from time to time;
4. Formulate and recommend to the Board, annual action plan of CSR Activities of the Company;
5. Approve the projects; recommend the amount to be spent, set project selection guidelines and monitor implementation to ensure that spending is undertaken in accordance with this Policy;
6. Monitoring Progress: To monitor the impact of the ESG Policy on an annual basis through the BRSR Report as well as the Sustainability Report, which will be published every year. In case of any deviation from planned progress, identify root cause, and provide remedy to same;
7. ESG Risk Monitoring: To identify, assess and manage environment and social risks & opportunities and their associated impacts across its operations and value chains using the principles of materiality, and ensuring that such practices are integrated in business strategies with allocation of appropriate resources;

8. ESG Roadmap & Targets: To (a) set the ESG roadmap of the Company with short-term and long-term ESG targets for continual improvement of Company's ESG performance, (b) define pertinent E, S and G-related KPIs, (c) to evaluate the performance against each KPIs and (d) report the progress periodically to internal and external stakeholders; and
9. Review & Amendment: To review the ESG Policy of the Company annually or as and when required and to also amend or modify this Policy in whole or in part as and when significant changes occur, to reflect the national & global best practices, latest Policy/ regulatory directions/ guidelines issued by the Government of India (GOI), RBI, NHB, SEBI and any other statutory/ regulatory authority as applicable for the Company.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company has been constituted in terms of the provisions of Regulation 21 read with Part D of the Schedule II of SEBI (LODR) Regulations, 2015 and other applicable guidelines. The Risk Management Committee ensures formulation of a detailed Risk Management Policy, reviewing and guiding the Management on various risks associated with the business of the Company, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks, overseeing and reviewing implementation of operational risk management and operational resilience framework, to promote a strong risk culture.

During the Year under review, the Committee met 5 (Five) times during the Financial Year 2025-26 as below:



The Board of Directors shall define the role and responsibility of the Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee and such other functions as it may deem fit.

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

At present, Committee consists of 4 (Four) Directors as its Members including one Independent Director. The Committee is being chaired by Non-Executive Director.

During the Year under review, the Committee was re-constituted effective June 30, 2025 & November 11, 2025 by the Board.

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

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 24, 2025	June 30, 2025	August 12, 2025	November 11, 2025	February 05, 2026
Mr. Manas Tandon*	Promoter Nominee Director (Non- Executive)	Chairperson and Member	X#	X#	NA	NA	NA
Mr. Nikhil Omprakash Gahotra**	Nominee Director (Non- Executive)	Chairperson and Member	NA	NA	✓	✓	✓
Mrs. Soumya Rajan	Independent Director (Non- Executive)	Member	✓	✓	✓	✓	✓

Name of the Members	Category	Designation	No. of Meetings Attended				
			April 24, 2025	June 30, 2025	August 12, 2025	November 11, 2025	February 05, 2026
Mr. Sachinderpalsingh Jitendrasingh Bhinder***	Managing Director and CEO (Executive)	Member	NA	NA	NA	NA	✓
Mr. Ramachandra Kasargod Kamath**	Nominee Director (Non- Executive)	Member	✓	✓	NA	NA	NA
Mr. Rohit Ranjan^	Nominee Director (Non- Executive)	Member	NA	NA	NA	NA	✓
Mrs. Neha Sureka^^	Nominee Director (Non- Executive)	Member	NA	NA	✓	✓	NA

*Ceased to be the Chairperson & Member of the Committee w.e.f. June 30, 2025.

**Appointed as the Chairperson & Member of the Committee w.e.f. June 30, 2025.

***Appointed as the Member of the Committee w.e.f. November 11, 2025 and subsequently ceased to be the Member of the Committee w.e.f. April 20, 2026. Further, Mr. Manu Yeshpal Singh appointed as the Member of the Committee w.e.f. April 28, 2026.

**Ceased to be the Member of the Committee w.e.f. June 30, 2025.

^Appointed as the Member of the Committee w.e.f. November 11, 2025.

^^Appointed as the Member of the Committee w.e.f. June 30, 2025 & ceased to be the Member of the Committee w.e.f. November 11, 2025.

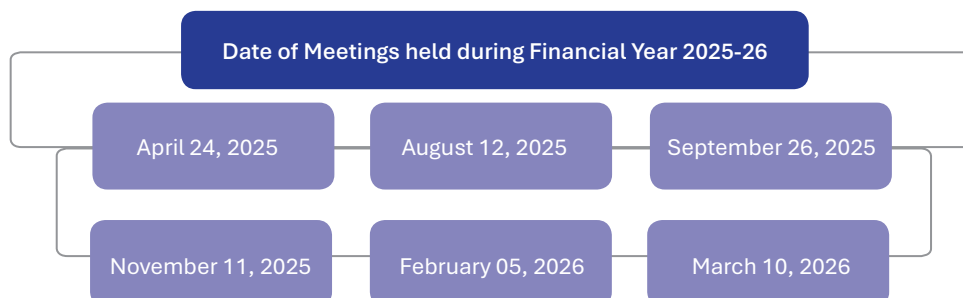
#Leave of absence was granted.

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; and
- Reviewing and monitoring the effectiveness and application of credit risk management policies, related standards and procedures and to control the environment with respect to credit decisions.

ASSET LIABILITY MANAGEMENT COMMITTEE

The Asset Liability Management Committee of the Company has been constituted in terms of Reserve Bank of India (Non-Banking Financial Companies- Asset Liability Management) Directions, 2025. During the Year under review, the Committee met 6 (Six) times during the Financial Year 2025-26 as below:



At present, the Committee consists of 6 (Six) Members and chaired by the Managing Director & CEO of the Company.

During the Year under review, the Committee was re-constituted effective June 30, 2025 & November 11, 2025 by the Board.

The Committee is entrusted with overseeing the effective management of assets and liabilities with the objective of ensuring optimal returns with closely monitoring any asset liability mismatches, if any. It formulates policies and prescribes quantitative limits governing assets and liabilities, based on a comprehensive assessment of the various risks. The Committee periodically reviews its effectiveness, with a focus on liquidity risk management, market risk exposure, funding and capital strategies, as well as overall profitability planning.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended					
			April 24, 2025	August 12, 2025	September 26, 2025	November 11, 2025	February 05, 2026	March 10, 2026
Mr. Sachinderpalsingh Jitendrasingh Bhinder*	Managing Director and CEO (Executive)	Chairperson and Member	✓	✓	✓	✓	✓	✓
Mr. Vivek Vig**	Nominee Director (Non- Executive)	Member	✓	NA	NA	NA	NA	NA
Mr. Nishant Sharma**	Promoter Nominee Director (Non- Executive)	Member	✓	NA	NA	NA	NA	NA
Mr. Rohit Ranjan***	Nominee Director (Non- Executive)	Member	NA	NA	NA	NA	✓	✓
Mr. Nikhil Omprakash Gahotra#	Nominee Director (Non- Executive)	Member	NA	✓	✓	✓	✓	✓
Mrs. Neha Sureka##	Nominee Director (Non- Executive)	Member	NA	✓	✓	✓	NA	NA

Name of the Members	Category	Designation	No. of Meetings Attended					
			April 24, 2025	August 12, 2025	September 26, 2025	November 11, 2025	February 05, 2026	March 10, 2026
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member	✓	✓	✓	✓	✓	✓
Mr. Ashutosh Atre	President and Chief Risk Officer	Member	✓	✓	✓	✓	✓	✓
Mr. Ripudaman Bandral [†]	Chief Credit Officer	Member	✓	✓	✓	✓	✓	✓

[†]Ceased to be the Chairperson and Member of the Committee w.e.f. April 20, 2026. Further, Mr. Manu Yespal Singh appointed as the Chairperson and Member of the Committee w.e.f. April 28, 2026.

^{**}Ceased to be the Member of the Committee w.e.f. June 30, 2025.

^{***}Appointed as the Member of the Committee w.e.f. November 11, 2025.

[#]Appointed as the Member of the Committee w.e.f. June 30, 2025.

^{##}Appointed as the Member of the Committee w.e.f. June 30, 2025 and subsequently ceased to be the Member of the Committee w.e.f. November 11, 2025.

[^]Designated as the Chief Business Officer w.e.f. May 02, 2026.

The scope of the Asset Liability Management Committee inter-alia includes the following:

1. Measuring and managing liquidity needs and ensuring the Company's ability to meet its liabilities as they become due, liquidity management can reduce the probability of developing an adverse situation;
2. Management of market risks;
3. Trading risk management;
4. Funding and capital resource planning to review the effectiveness of the Asset Liability Management control;
5. Profit planning and growth projection;
6. Forecasting and analysing 'what if scenario' and preparation of contingency plans;
7. Ensuring adherence to the limits set by the Board as well as implementing the liquidity risk management strategy of the Company in line with the Company's budget and decided risk management objectives;
8. Shall also decide on the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of all branches; and
9. Recommending the Board about the viable source of finance to cater to the fund requirements of the Company.

INFORMATION TECHNOLOGY STRATEGY COMMITTEE

The constitution of Information Technology Strategy Committee of the Company is as per the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 07, 2023.

The Information Technology Strategy Committee is responsible for guiding the Company's technology vision and ensuring alignment with its overall business objectives. It oversees the formulation and implementation of IT strategies, with a focus on digital transformation, cybersecurity, data governance, and operational efficiency. The Committee evaluates emerging technologies, monitors IT-related risks, and ensures that adequate controls and systems are in place to safeguard information assets while supporting sustainable growth and innovation.

During the Year under review, the Committee met 4 (Four) times during the Financial Year 2025-26 as below:



At present, the Committee consists of 3 (Three) Members. The Committee is being chaired by an Independent Director of the Company. The Chief Information Security Officer (“CISO”) is a permanent invitee to the Committee.

During the Year under review, the Committee was re-constituted effective June 30, 2025 by the Board.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended			
			April 24, 2025	August 12, 2025	November 11, 2025	March 02, 2026
Mr. Sandeep Tandon	Independent Director (Non-Executive)	Chairperson & Member	✓	✓	✓	✓
Mr. Sachinderpalsingh Jitendrasingh Bhinder*	Managing Director and CEO (Executive)	Member	✓	✓	✓	✓
Mr. Rahul Mehta**	Promoter Nominee Director (Non- Executive)	Member	✓	NA	NA	NA
Mrs. Neha Sureka#	Nominee Director (Non-Executive)	Member	NA	✓	✓	✓

*Ceased to be the Member of the Committee w.e.f. April 20, 2026.

**Ceased to be the Member of the Committee w.e.f. June 30, 2025.

#Appointed as the Member of the Committee w.e.f. June 30, 2025.

*Mr. Nikhil Omprakash Gahrotra appointed as the Member of the Committee w.e.f. April 28, 2026.

The terms of reference of the Information Technology (IT) Strategy Committee inter-alia include the following:

1. Providing input to other Board Committees and Senior Management;
2. Carrying out review and amending the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;
3. Approving IT Strategy and Policy documents and ensuring that the management has put an effective strategic planning process in place;
4. Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
5. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
7. Ensuring proper balance of IT investments for sustaining HFC’s growth and becoming aware about exposure towards IT risks and controls;

8. Ensure to put an effective IT strategic planning process;
9. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of accomplishment of business objectives;
10. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, and has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
11. Processes for assessing and managing IT and cybersecurity risks;
12. Budgetary allocations for the IT function (including for IT security), cyber security is commensurate with the IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;
13. Review, at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company; and
14. The assessment of IT capacity requirements and measures taken to address the issues shall be reviewed by the ITSC.

EXECUTIVE COMMITTEE

The Board of Directors has constituted the Executive Committee. It serves as a central decision-making and oversight body responsible for shaping the organization's strategic direction, policies, and operations.

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

The Board vide its meeting held on June 30, 2025, reconstituted Committee by inducting Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka & Mr. Ripudaman Bandral as Members of the Committee whereas Mr. Ashutosh Atre had ceased to be the Member of the Committee.

The composition of the Committee is as follows:

Name of the Members	Category	Designation
Mr. Nishant Sharma*	Promoter Nominee Director (Non-Executive)	Chairperson & Member
Mr. Nikhil Omprakash Gahrotra**	Nominee Director (Non-Executive)	Chairperson & Member
Mr. Manas Tandon##	Promoter Nominee Director (Non- Executive)	Member
Mr. Sachinderpalsingh Jitendrasingh Bhinder^	Managing Director and (CEO) (Executive)	Member
Mrs. Neha Sureka#	Nominee Director (Non-Executive)	Member
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member
Mr. Ashutosh Atre##	President and Chief Risk Officer	Member
Mr. Ripudaman Bandral#	Chief Credit Officer	Member

*Ceased to be the Chairperson & Member of the Committee w.e.f. June 30, 2025.

**Appointed as the Chairperson & Member of the Committee w.e.f. June 30, 2025.

#Appointed as the Member of the Committee w.e.f. June 30, 2025. Further, Mr. Ripudaman Bandral designated as the Chief Business Officer w.e.f. May 02, 2026.

##Ceased to be the Member of the Committee w.e.f. June 30, 2025.

^Ceased to be the Member of the Committee w.e.f. April 20, 2026. Further, Mr. Manu Yeshpal Singh appointed as the Member of the Committee w.e.f. April 28, 2026.

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

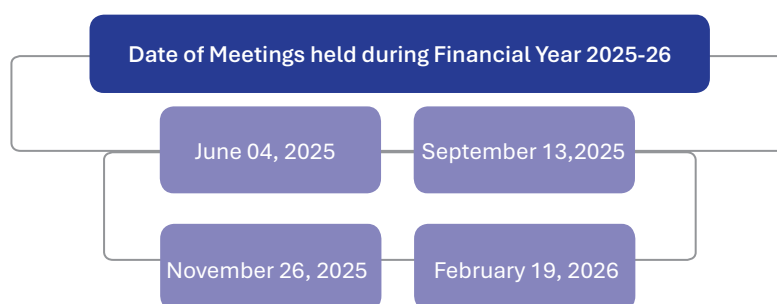
The Committee consists of 5 (Five) Members. The Committee is being chaired by Non-Executive Nominee Director of the Company.

During the period under review total 38 (Thirty-Eight) Executive Committee Meetings were held on dated April 16, 2025; April 24, 2025; May 15, 2025; May 17, 2025; June 05, 2025; June 10, 2025; June 13, 2025; June 18, 2025; June 25, 2025; June 27, 2025; August 06, 2025; August 20, 2025; August 28, 2025; September 15, 2025; September 23, 2025; October 06, 2025; October 31, 2025; November 14, 2025; November 19, 2025; November 25, 2025; November 28, 2025; December 01, 2025; December 10, 2025; December 19, 2025; December 23, 2025; December 24, 2025; December 30, 2025; January 05, 2026; January 12, 2026; February 12, 2026; February 13, 2026; February 27, 2026; March 06, 2026; March 10, 2026; March 16, 2026; March 24, 2026; March 29, 2026; & March 31, 2026.

CUSTOMER SERVICE AND GRIEVANCE REDRESSAL COMMITTEE

The Customer Service and Grievance Redressal Committee of the Company is responsible for ensuring high standards of customer service and the timely resolution of customer complaints. It oversees the effectiveness of grievance redressal mechanisms, monitors service quality, and ensures compliance with applicable regulatory requirements. The Committee reviews trends in customer feedback, identifies areas for improvement, and drives initiatives to enhance customer satisfaction, transparency, and trust.

It ensures constant evaluation of the feedback on quality of Customer Services and Redressal provided to the customers, considering unresolved complaints/ grievance referred to it by Functional Heads. During the Year under review, the Committee met 4 (Four) times during the Financial Year 2025-26 as below:



At present, the Committee consists of 4 (Four) Members. The Committee is chaired by the Managing Director & CEO of the Company.

During the Year under review, the Committee was re-constituted effective November 11, 2025 by the Board.

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

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

Name of the Members	Category	Designation	No. of Meetings Attended			
			June 04, 2025	September 13, 2025	November 26, 2025	February 19, 2026
Mr. Sachinderpalsingh Jitendrasingh Bhinder [*]	Managing Director and CEO (Executive)	Chairperson	✓	✓	✓	✓
Mr. Ghanshyam Rawat	President and Chief Financial Officer	Member	X [#]	✓	✓	X [#]
Mr. Surendra Kumar Sihag ^{**}	Chief Collection Officer	Member	✓	NA	NA	NA
Mr. Ashutosh Atre	President and Chief Risk Officer	Member	✓	✓	✓	X [#]
Mr. Ashish Gautam [^]	Chief Customer Experience Officer/Head of Operations	Member	NA	NA	✓	✓

^{*}Ceased to be the Chairperson & Member of the Committee w.e.f. April 20, 2026. Further, Mr. Manu Yeshpal Singh appointed as the Chairperson & Member of the Committee w.e.f. April 28, 2026.

^{**}Ceased to be the Member of the Committee w.e.f. July 02, 2025.

[^]Appointed as the Member of the Committee w.e.f. November 11, 2025.

[#]Leave of absence was granted.

SEPERATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on December 02, 2025 & March 12, 2026 without the presence of Non-Independent Directors and members of Company's Management. In compliance with the Regulation 25(3) of SEBI (LODR) Regulations, 2015, read with Section 149(8) and Schedule-IV of the Act, following matters were, inter alia, reviewed and deliberated in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole;
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Upon the conclusion of the meeting, the Independent Directors expressed their overall satisfaction over the performance of the other Directors and the Board as a whole. They also expressed their satisfaction over the quality, quantity and timeliness of flow of information between the Company's Management and the Board/ Committees of the Board from time to time and performance of Chairperson of the Company.

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.

POLICIES AND CODES

Within the Company's broader governance architecture, structured policies serve as the operating framework that translates intent into action—guiding the conduct of its operations and decision-making processes.

In adherence to Chapter II (Principles governing disclosures and obligations of listed entities) of SEBI (LODR) Regulations, 2015, RBI Master Directions, and other relevant guidelines, as well as its commitment to Corporate Governance and an effective internal control system, the Company has adopted several codes, policies, and guidelines, including the following:

a) Internal Guidelines on Corporate Governance

The Company has established and implemented the Internal Guidelines on Corporate Governance in line with the Reserve Bank of India ("RBI") vide Reserve Bank of India (Housing Finance Companies) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 ("RBI Master Directions"). According to these guidelines the Company adheres

to strong Corporate Governance practices based on integrity, transparency, and accountability.

Framed in compliance with the Act, SEBI (LODR) Regulations, 2015, RBI Master Directions and other relevant rules and regulations, this Policy undergoes periodic review by the Board. As regulations evolve and best practices emerge, these reviews ensure continuous enhancement of the Company's governance standards.

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

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

To safeguard its operations from financial misuse, the Company has instituted a robust KYC & AML framework aligned with Prevention of Money Laundering Act, 2002, and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, and RBI guidelines. The Policy is designed to mitigate risks of money laundering and terrorist financing through structured due diligence and monitoring mechanisms. It is periodically reviewed by the Board to ensure alignment with evolving regulatory expectations and industry best practices.

The Policy on KYC Norms and AML Measures ("KYC & AML Policy") are available on the website of the Company at <https://www.aavas.in/resource/kyc-policy>

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

In compliance with Regulation 23 of SEBI (LODR) Regulations, 2015, the Company has adopted a Policy governing Materiality of Related Party Transactions and on dealing with Related Party Transactions. All transactions with related parties during the Financial Year were executed in the ordinary course of business and on an arm's length basis ensuring fairness and transparency. No transaction had any adverse impact on the Company's interests.

An 'Arm's Length Transaction' refers to a transaction between related parties conducted as if they were unrelated, ensuring no conflict of interest, as defined in explanation (b) to Section 188(1) of the Act. The Board shall review this Policy at least once every three years or at intervals deemed appropriate, in line with applicable laws.

The Board periodically reviews the Policy to ensure continued relevance and regulatory alignment. No materially significant transactions were observed that could potentially conflict with the Company's interests. Relevant disclosures have been duly incorporated in the financial statements, with periodic updates presented to Audit Committee.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the website of Company at <https://www.aavas.in/codes-and-policies>.

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

In compliance with Regulations 17(5) and 26(3) of SEBI (LODR) Regulations, 2015, as a cornerstone of its governance framework, the Company has adopted a comprehensive 'Code of Conduct for the Board and Senior Management Personnel.' The Code fosters a culture rooted in integrity, ethical conduct, and accountability, guiding leadership in the responsible discharge of their duties. This Code applies to all Directors, including Non-Executive and Independent Directors, as well as Senior Management Personnel of the Company.

Pursuant to Part D of Schedule V of the SEBI (LODR) Regulations, 2015 the Managing Director and CEO have submitted a declaration confirming compliance with the Code of Conduct by all Directors and Senior Management Personnel for the Financial Year ended March 31, 2026. The Senior Management of the Company has made disclosures to the Board confirming that there are no material financial and/or commercial transactions between them and the Company that could have potential conflict of interest with the Company at large. This declaration is appended as "Annexure A" to this Report.

The Code of Conduct for the Board and the Senior Management Personnel is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

e) Policy for Determining Material Subsidiaries

In accordance with Regulation 16 of SEBI (LODR) Regulations, 2015 the Board has implemented a 'Policy outlining clear criteria for identifying Material Subsidiaries,' which outlines the parameters for identifying a subsidiary as a "Material Subsidiary". This framework ensures effective oversight and governance of subsidiary operations. As on March 31, 2026, the following 'Authorized KMPs' of the Company have been individually empowered to determine the Materiality of an Event or Information:

- Managing Director and Chief Executive Officer
- President and Chief Financial Officer
- President and Chief Risk Officer
- Company Secretary and Compliance Officer

The Policy for Determining Material Subsidiary is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

Material Subsidiary:

'Material subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company does not have any Material Subsidiary as on March 31, 2026 in terms of SEBI (LODR) Regulations, 2015.

f) Information Technology Related Policies

In response to evolving regulatory expectations, the Company has aligned its IT governance framework with the Reserve Bank of India (RBI) introduced directions on outsourcing of IT services under the 'Reserve Bank of India (Non-Banking Financial Companies- Managing Risks in Outsourcing) Directions, 2025 dated November 28, 2025. Furthermore, the RBI issued the 'Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices' on November 7, 2023, which came into effect on April 1, 2024.

These guidelines consolidate key aspects of Risk Management, internal controls, assurance mechanisms, and Business Continuity/Disaster Recovery Management that were separately prescribed for Banks and NBFCs. In alignment with these RBI directives, the Company has adopted robust IT policies to strengthen its technology governance landscape and ensure sustained compliance.

g) Policy on Valuation of Properties and Empanelment of Valuers

In accordance with the RBI Master Directions, the Company is required to establish a system, procedure, and Policy for the valuation of properties and the appointment of valuers.

In line with these requirements, the Board has adopted the 'Policy on Valuation of Properties and Empanelment of Valuers,' ensuring a structured and compliant approach to property valuation and valuer selection.

h) Whistle Blower Policy / Vigil Mechanism

In compliance with Sub-Section 9 & 10 of Section 177 of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of SEBI (LODR) Regulations, 2015 every listed Company, as well as Companies accepting public deposits or those with borrowings exceeding Rupees Fifty Crore from banks and financial institutions, is required to establish a Whistle Blower Policy/Vigil Mechanism.

The Company has in place Board approved Policy on Breach of Integrity and Whistle Blower (Vigil mechanism). The Policy was framed with an objective to deal with issues pertaining to integrity, encouraging the employees

and Directors of the Company to raise any concern about Company's operations and working environment, including possible breaches of Company's policies and standards, without fear of adverse managerial action being taken against such employees.

It provides a channel to Whistle Blower to report concerns about any Alleged Wrongful Conduct and to build and strengthen a culture of instances of such suspected or confirmed incident of fraud/misconduct may be reported. The Company is committed to conduct its business with the utmost professionalism, honesty, integrity and transparency. A culture of accountability ensures that Directors and Employees can safely raise concerns about any wrongful conduct. In adherence to the Act and SEBI (LODR) Regulations, 2015, the Board has approved the Vigil Mechanism/Whistle Blower Policy, which provides a secure and structured framework for responsible whistleblowing. This Policy safeguards Directors and Employees who raise concerns about serious irregularities within the Company and facilitates proper governance through a defined mechanism for reporting complaints and grievances. The Audit Committee oversees the Vigil Mechanism, ensuring its effective implementation, and no personnel have been denied access to the Chairperson of the Audit Committee.

The Policy for Whistle Blower Policy / Vigil Mechanism is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

i) **Policy for Determination of Materiality of Events and Information**

In accordance with the provisions of SEBI (LODR) Regulations, 2015 the Board has adopted the 'Policy for Determination of Materiality of Events and Information.' This Policy establishes guidelines for assessing the materiality of events and information to ensure timely disclosures to the Stock Exchanges. It also designates specific officers of the Company who are authorized to determine materiality and oversee the disclosure process.

The Policy for Determination of Materiality of Events and Information is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

j) **Corporate Social Responsibility ("CSR") Policy**

Guided by its commitment to inclusive and sustainable growth, the Company's CSR Policy framed in line with the Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, focuses on creating meaningful social impact. Its initiatives span areas such as rural development, skill enhancement, women empowerment, environment sustainability, and healthcare.

Any unspent CSR amount shall be treated in compliance with Section 135(6) of the Act.

Further, the Company has adopted a Corporate Social Responsibility Policy in accordance with the provisions of and the activities specified under Schedule VII of the Act. The Policy also outlines the governance structure, including the role of the Board and CSR Committee in implementation and oversight. It defines the scope of CSR activities, as well as the roles and responsibilities of the Board and the CSR Committee in implementing and monitoring the identified projects.

The Corporate Social Responsibility Policy is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

k) **Code of Conduct for Prohibition of Insider Trading ("PIT") and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI")**

In compliance with the SEBI (PIT) Regulations, 2015, as amended from time to time, the Company has established a 'Code of Conduct – Prohibition of Insider Trading.' The Company's Code has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and their Immediate Relatives towards achieving compliance with PIT Regulations and is designed to maintain the highest ethical standards of trading in securities of the company by persons to whom it is applicable. The Company has also put in place a Structured Digital Database ("SDD") as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Audit Committee at its meeting held on February 05, 2026 had reviewed the compliance in terms of regulation 9A(4) of SEBI (PIT) Regulations, 2015 and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating effectively.

The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and caution them of the consequences of violations. Wherever non-compliance by a Designated Person concerned was observed, penalty was levied, and the amount was remitted to the SEBI stipulated fund. By frequent communications, the Company also makes aware the Designated Persons of their obligations under the SEBI (PIT) Regulations, 2015.

The Board adopted a 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' which is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

l) **Code for Independent Directors**

In accordance with Section 149 and Schedule IV of the Act, the Company has adopted a Code for Independent Directors to ensure the effective discharge of their responsibilities in a professional manner.

This Code serves as a guiding framework for the professional conduct of Independent Directors. By adhering to these standards and fulfilling their roles with integrity and diligence, Independent Directors strengthen confidence among the investment community, particularly minority Shareholders, regulators, and other stakeholders.

The Code outlines the principles of professional conduct, defines the roles, functions, and duties of Independent Directors, and establishes a process for performance evaluation. It is designed to uphold transparency, accountability, and trust in the institution of Independent Directors.

m) **Prevention of Sexual Harassment Policy, and information required to be disclosed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to fostering a work environment where every Employee is treated with dignity and respect. The Company has zero tolerance towards sexual harassment at workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder.

To promote awareness, the Company educates Employees about its Sexual Harassment Policy through posters, regular mailers, and online training, which forms an integral part of the induction process.

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules thereunder. The following is a summary of Sexual Harassment complaint(s) received and disposed off during Financial Year 2025-26 are as below:

Number of complaints pending as on start of the Financial Year.	0
Number of complaints filed during the Financial Year	0
Number of complaints disposed of during the Financial Year	0
Number of complaints *pending as on end of the Financial Year.	0

*no. of cases pending for more than 90 days.

n) **Dividend Distribution Policy**

The Policy has been formulated in compliance with Regulation 43A of the SEBI (LODR) Regulations, 2015 and the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Declaration of Dividends) Directions, 2025 and Reserve Bank of India (Housing Finance Companies) Directions, 2025.

The Company has in place a Dividend Distribution Policy, which lays down the framework for declaration and distribution of dividend duly approved by the Board of Directors. The Dividend Distribution Policy is available on the website of the Company at <https://www.aavas.in/codes-and-policies>.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Reflecting the Company's steadfast commitment to exemplary Corporate Governance, the Senior Management team continues to embody the principles of transparency, integrity, and forward-looking leadership. With a clear focus on sustainable stakeholder value and disciplined risk management, the leadership remains agile and well-equipped to navigate an increasingly complex business landscape.

Rooted in a strong culture of accountability and ethical stewardship, the Senior Management consistently works towards strengthening stakeholder trust and reinforcing confidence across investors, employees, and the broader community.

The list of the Senior Management team, including those classified as Senior Management Personnel under SEBI (LODR) Regulations, 2015 as of March 31, 2026, is presented on pages 66 to 69 of the Annual Report.

During the Financial Year 2025-26, the Company witnessed certain changes in its Senior Management, the details of which are outlined below:

Sr.No.	Name	Designation	Nature of Changes	Effective Date
1.	Mr. Surendra Sihag	Chief Collection Officer	Resignation	July 02, 2025
2.	Mr. Ashish Gautam	Chief Customer Experience Officer/Head of Operations	Appointment	August 11, 2025

DISCLOSURE OF CERTAIN TYPES OF ARRANGEMENTS BINDING LISTED ENTITIES

The Company has not entered into agreements with Shareholders, Promoters, Promoter Group Entities, Related Parties, Directors, Key Managerial Personnel, Employees of the Company or of its Holding, Subsidiary or Associate Company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or impose any restrictions or create any liability upon the Company. There is no such type of agreement as per clause 5A of Paragraph A of part A of Schedule III of SEBI (LODR) Regulations, 2015 that needs to be disclosed.

GENERAL SHAREHOLDERS INFORMATION

This section provides comprehensive details about the Company, including its shareholding pattern, information dissemination channels, service standards, share price movements, and other pertinent information, as required under point no. C (9) of Schedule V of the SEBI (LODR) Regulations, 2015 on Corporate Governance.

I. CORPORATE INFORMATION-

1.	Incorporation Date	February 23, 2011
2.	Registered Office Address	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan)
3.	Corporate Identification Number ("CIN")	L65922RJ2011PLC034297
4.	Details of Annual General Meeting ("AGM")	Wednesday, September 16, 2026 at 3:00 P.M. Indian Standard Time (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") Facility.
5.	Financial Year	April 01, 2025, to March 31, 2026
6.	Record Date	NA
7.	Date of Book closure	No Book Closure has been recommended by Board.
8.	Dividend Payment date	No Dividend has been proposed for the period under review.
9.	Listing on Stock Exchanges	The equity shares of the Company are listed on National Stock Exchange of India Ltd. ("NSE") and BSE Limited ("BSE") on October 08, 2018. Non-Convertible Debentures ("NCDs") issued by the Company are listed on the Wholesale Debt Market ("WDM") segment of the BSE. Commercial paper ("CP") issued by the Company are listed on Wholesale Debt Market ("WDM") segment of the BSE dated June 18, 2025. Masala Bonds issued by the Company are listed on NSE IFSC Limited. The addresses of NSE, BSE and NSE IFSC Limited are given below: NSE: Exchange Plaza, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai- 400051. BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. NSE IFSC Limited: Unit No. 1202, Brigade International Financial Centre, 12th Floor Building No. 14-A Block No. 14, Road-1C Zone 1, GIFT SEZ, Gandhinagar – 382355

10.	Payment of listing fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE.
11.	ISIN of Equity Shares	INE216P01012
12.	Suspension of Company's Securities	Company's securities are never suspended from trading since its listing.
13.	Registrar & Share Transfer Agents	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, Embassy 247, L.B.S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 8108116767 Website: www.in.mpms.mufig.com Link for Email id registration: https://web.in.mpms.mufig.com/EmailReg/Email_Register.html
14.	Plant Location	Since the Company is in the business of housing finance, the disclosure with regard to plant location is not applicable.
15.	Address for Correspondence relating to grievances in relation to non-receipt of Annual Report, dividend and share certificates sent for transfer etc. including any requests/ intimation for change in address, issue of duplicate share certificates, change in nomination shall be sent to:	MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) C-101, Embassy 247, L.B.S Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 8108116767 Website: www.in.mpms.mufig.com Email ID: Link for Email id registration: https://web.in.mpms.mufig.com/EmailReg/Email_Register.html Mr. Saurabh Sharma - Company Secretary and Compliance Officer Aavas Financiers Limited Registered Office: 201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Rajasthan) Tel: +91 141 465 9221 Email: investorrelations@aavas.in
16.	Outstanding Global Depository Receipts/ American Depository Receipts/ Warrants and Convertible Bonds, conversion date and likely impact on equity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
17.	Commodity Price Risks/ Foreign Exchange Risk and Hedging Activities	The Company does not deal in commodity and hence there is no commodity price risk. For managing the Foreign Exchange Risk and Hedging Activities, Company is having the Foreign Currency Risk Management Policy. Further, Company has fully hedged its borrowing liabilities denominated in foreign currency.
18.	Dematerialization of Shares and Liquidity	As of March 31, 2026, 100% of the Company's shares are held in dematerialized form. The Company's shares are regularly traded on NSE and BSE.
19.	Share Transfer System	The Company's shares are traded under compulsory dematerialized mode and freely tradable. The Board has delegated the power to attend all the formalities relating to transfer of securities to the Registrar and Share Transfer Agent of the Company.

II. RATINGS OF THE COMPANY-HIGHLIGHTING GROWTH & RESILIENCE

CREDIT RATINGS

During Financial Year 2026, the Company retained its credit ratings owing to high capital adequacy, strong promoter support, tightened credit acceptance criteria and robust asset liability management. It reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet all its financial obligations. The credit rating as at March 31, 2026 is given below:

Sr.No.	Rating Agencies	Long Term Bank Facilities Rating	NCD Rating	Commercial Paper Rating/Short Term Debt	Outlook
1.	ICRA Limited	AA; Positive	AA; Positive	A1+	Positive
2.	CARE Ratings Limited	AA; Positive	AA; Positive	-	Positive
3.	India Ratings and Research Private Limited	-	-	A1+	-

During the Financial Year under review, the Company's credit rating outlook has been revised from 'Stable to Positive' by ICRA and CARE Limited. A comprehensive overview of the Company's credit ratings, is available on the Company's website at <https://www.aavas.in/investor-relations/credit-rating>.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") RATINGS

The Company has gained notable recognition in the field of ESG practices, demonstrating its steadfast dedication to sustainability. The Company's below ESG ratings illustrate its strong performance and commitment to sustainability metrics:

Sr.No.	Rating Agencies	Ratings
1.	S&P Global	35
2.	Morningstar (Sustainalytics)	23.9 (Medium Risk)
3.	CRISIL ESG Ratings & Analytics Limited	64 (Strong)
4.	ESG Risk Assessments and Insights Limited	67 (Strong)
5.	NSE Sustainability Ratings & Analytics Limited	71 (Aspiring)
6.	SES ESG Research Private Limited	77.7 (Medium)
7.	CFC Finlease Private Limited	82 (Excellent)

* Morningstar (Sustainalytics) ratings assess risk, where a lower risk rating indicates a better rating.

The Company has not engaged with any ESG Rating Provider for rating. They have independently assigned the rating on the basis of Company's disclosures and other publicly available data. For more details on ESG ratings, kindly visit to website of the Company at <https://www.aavas.in/esg>.

III. GENERAL MEETINGS/POSTAL BALLOT:

a) Details of past three Annual General Meetings held by the Company:

Financial Year	Category	Location of the Meeting	Date	Time
2024-25	15 th AGM	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020 (Raj)	September 16, 2025	3:30 P.M(IST)
2023-24	14 th AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility	August 07, 2024	3:30 P.M(IST)
2022-23	13 th AGM		July 19, 2023	3:30 P.M(IST)

Special Resolutions taken up in the last three AGMs and passed with requisite majority are mentioned hereunder:

Day/Date of AGM	Details of Special Resolution passed
Tuesday, September 16, 2025	➤ To consider and approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act. ➤ To consider and approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. ➤ To consider and approve issuance of Non-Convertible Debentures, in one or more tranches on Private Placement Basis. ➤ To approve the 'Aavas Financiers Limited – Equity Stock Option Plan 2025' ("ESOP-2025")
Wednesday, August 07, 2024	➤ To approve the re-appointment of Mrs. Soumya Rajan (DIN: 03579199) as an Independent Director of the Company. ➤ To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act. ➤ To approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. ➤ To approve issuance of Non-Convertible Debentures, in one or more tranches on Private Placement Basis. ➤ To approve the 'Aavas Financiers Limited - Performance Stock Option Plan- 2024' ("PSOP-2024")
Wednesday, July 19, 2023	➤ To approve alteration in the Articles of Association of the Company. ➤ To approve increase in the borrowing powers in excess of Paid-up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Act. ➤ To approve creation of charges on assets of the Company under Section 180(1)(a) of the Act, to secure borrowings made/to be made under section 180(1)(c) of the Act. ➤ To approve issuance of Non-Convertible Debentures, in one or more tranches / issuances on Private Placement Basis.

b) No Extra Ordinary General Meeting was held by the Company during the Financial Year 2025-26.

c) Details of Business transacted through Postal Ballot during the Financial Year 2025-26.

During the Year, the Company has conducted one (1) Postal Ballot details of which are given below:

Sr. No	Description	Details of E-Voting Period	Last date of E-Voting (Approval Date)	Scrutinizer	Voting Pattern
1.	To consider and approve the appointment of Mr. Rohit Ranjan, (DIN:00003480) as Non-Executive Non-Independent Director	December 08, 2025 to January 06, 2026	January 06, 2026	Mr. Shashikant Tiwari Partner of M/s. Chandrasekaran & Associates, Company Secretaries, (Membership No.- F11919, COP No. 13050)	In favour- 98.26% Against- 1.74%

d) Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Act, read with Companies (Management and Administration) rules, 2014 issued thereunder, MCA general Circulars and Regulation 44 of the SEBI (LODR) Regulations, 2015, 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. The Company made arrangements for those Members who did not register their e-mail address to get the same registered by following the procedure prescribed in the Notice. 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 Company appointed a Scrutinizer for conducting the postal ballot process in a fair and transparent manner. 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), website of NSDL 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.

e) Details of Special Resolution proposed to be conducted through Postal Ballot

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM requires passing the resolution through Postal Ballot.

IV. DUE DATES FOR TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

In terms of Section 124 & 125 of the Act, dividend lying unclaimed and unpaid for a period of seven years from the date of transfer to unpaid and unclaimed account is required to be transferred to the IEPF. Since the Company has not declared any dividend since inception, there is no dividend which is unclaimed pertaining to previous years and Financial Year under review. Hence, there is no requirement of transferring the same to the IEPF for the year under the review.

V. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2026

Distribution of Shareholding based on Nominal Value (₹10/-) as on March 31, 2026 is as follows:-

Sr. No.	Category (Nominal Value of Equity Shares)	No. of Holders	No. of Shares	% of Holders
1.	1 to 5000	1,19,106	48,80,160	98.32
2.	5001 to 10000	1,111	7,86,976	0.92
3.	10001 to 20000	430	6,03,664	0.36
4.	20001 to 30000	126	3,06,651	0.10
5.	30001 to 40000	74	2,56,361	0.06
6.	40001 to 50000	38	1,72,304	0.03
7.	50001 to 100000	76	5,46,879	0.06
8.	100001 to above	180	7,17,29,748	0.15
	Total	1,21,141	7,92,82,743	100

VI. SHAREHOLDING DETAILS AS ON MARCH 31, 2026

The Shareholding Pattern of the Company, as on March 31, 2026 is as follows: -

Sr. No.	Category	No. of Holders	No. of Shares	% of Holding
1.	Foreign Portfolio Investors (Corporate)	127	1,32,68,314	16.74
2.	Foreign Promoter Company	1	3,87,57,228	48.88
3.	Public (Public+KMP)	1,15,778	83,10,869	10.48
4.	Mutual Funds	75	1,36,71,462	17.24
5.	Insurance Companies	23	31,07,856	3.92
6.	Alternate Investment Funds	12	7,67,016	0.97
7.	Other Bodies Corporate	439	7,25,741	0.92

Sr. No.	Category	No. of Holders	No. of Shares	% of Holding
8.	Non – Resident Indians	1,558	2,41,934	0.30
9.	Non-Resident (Non Repatriable)	1,589	2,03,720	0.26
10.	Hindu Undivided Family	1,469	1,47,541	0.19
11.	Clearing Members	12	25,677	0.03
12.	Body Corporate – Limited Liability Partnership	47	16,797	0.02
13.	Trusts	7	647	0.00
14.	NBFCs registered with RBI	3	6,056	0.01
15.	Directors and their relatives (excluding independent Directors and nominee Directors)	1	31,885	0.04
	Total	1,21,141	7,92,82,743	100

VII. MEANS OF COMMUNICATION

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

- a) **Financial Results:** The Quarterly, Half Yearly and Annual Financial Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The Financial Results of the Company are published in widely circulated national newspapers viz Business Standard, Financial Express (English), Nafa Nuksan and Business Remedies (Hindi) and are also posted on the Company's website and can be accessed at <https://www.aavas.in/investor-relations/financial-results>.
- b) **Email:** Documents like Notices, Annual Reports, are sent to the Shareholders at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.
- c) **NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre (Listing Centre) Disclosures:** NEAPS and BSE Listing Centre are web based portals designed by NSE and BSE, respectively for corporates. All periodical and other compliance filings are electronically filed on these portals.
- d) **Exclusive email id for investors:** The Company has designated the email id investorrelations@aavas.in exclusively for investor servicing, and the same is displayed on the Company's website at <https://www.aavas.in/details-of-debenture-trustee-rta-and-grievance>.
- e) **Website:** Comprehensive information about the Company, its business, and operations, press releases and investor information can be viewed at the Company's website in compliance with Regulation 46 & 62 of the SEBI (LODR) Regulations, 2015 the Company has maintained a separate section i.e. **'Investor Relations'** on the Company's website.

The Company's Annual Report, financial results, details of its business, shareholding pattern, investors' presentation, compliance with Corporate Governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, the distribution schedule, credit ratings and Code of Conduct are uploaded on the website.
- f) **Investors/Analyst Meets:** The Company conducts calls/meetings with investors immediately after declaration of Financial Results to brief them on the performance of the Company. The Company also conducts one on one call and meeting with investors. During such meets, the Company only refers to publicly available information for discussions and no unpublished price sensitive information is shared with the investor/analyst. The Company also regularly makes presentations to investment

analysts in Analysts meets and institutional investors meets held from time to time, transcripts of which are uploaded on the website of the Company. The schedule of Analysts meets are also informed to the public through Stock Exchanges.

- g) **Presentations to institutional investors/ analysts:** Detailed presentations are made to institutional investors and financial analysts on the Company's Quarterly, Half-Yearly as well as Annual Financial Results and sent to the Stock Exchanges. These presentations, video recordings and transcript of meetings are also made available on the website of the Company.
- h) **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto through applicable modes. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available on the website of the Company.
- i) **SEBI Complaints Redressal System ("SCORES"):** Investor Complaints are processed at the SEBI centralized web-based complaints redressal system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the Company and online viewing by the investors of actions taken on the complaint and its current status.
- j) **Extensible Business Reporting Language('XBRL'):** XBRL is a standardized and structured way of communicating business and financial data in an electronic form. BSE and NSE provide XBRL based compliance reporting featuring identical and homogeneous compliance data structures between Stock Exchanges and Ministry of Corporate Affairs. The XBRL filings are done on the NEAPS portal as well as the BSE online portal.

OTHER DISCLOSURES

i) **Secretarial Audit for Financial Year 2025-26**

With a commitment to fostering robust Corporate Governance and ensuring strict regulatory compliance, the Company conducts Secretarial Audit as an essential assurance function to assess adherence to applicable laws, regulatory requirements and Secretarial Standards and Practices.

In accordance with the provisions of Section 204 of the Act read with rules made thereunder, and Regulation 24A of SEBI (LODR) Regulations, 2015, the Shareholders of the Company in the 15th AGM of the Company, approved the appointment of M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No. P1988DE002500) as Secretarial Auditors of the Company for a period of 5 (Five) consecutive Years effective from Financial Year 2025-26 upto Financial Year 2029-30.

The Secretarial Audit Report forms part of this report and does not contain any qualification, reservation, adverse remark or any disclaimer. They have conducted an independent assessment of the Company's compliance with the Act, SEBI (LODR) Regulations, 2015 and all other applicable rules and regulations as part of the Secretarial Audit. The resulting Secretarial Audit Report is included in the Annual Report as "**Annexure-3**" to the Directors' Report.

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

Furthermore, M/s. Chandrasekaran Associates, Company Secretaries has issued an Annual Secretarial Compliance Report for the Financial Year 2025-26 in compliance with Regulation 24A of SEBI (LODR) Regulation, 2015. There are no observations, qualifications, adverse remarks or disclaimers in their Report adverse remarks in their Report.

ii) **Consolidated (Holding and its Subsidiary) total fees paid to Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditors are a part**

In terms of provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and RBI Guidelines for appointment of Statutory Auditor(s), M/s. M S K A & Associates LLP, Chartered Accountants, and M/s. Borkar & Muzumdar, Chartered Accountants were appointed as Joint Statutory Auditors ("Auditor") of the Company by the Shareholders of the Company for a period of 3 (Three) consecutive years in the AGM held on August 07, 2024 effective from the conclusion of 14th AGM until the conclusion of 17th AGM.

Total fees for the Financial Year 2025-26 for all services was paid by the Company on a standalone basis, to the Statutory Auditors of the Company and other firms in the network entity of which the Statutory Auditors are a part, are as follows:

Particulars	Amount (₹ in lakh)
Fees for audit and related services paid to M S K A & Associates LLP & Borkar and Muzumdar and to entities of the network of which the statutory auditor is a part	₹161.58
Other fees paid to M S K A & Associates LLP & Borkar and Muzumdar & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.00
Total	₹161.58

This amount includes fees for audit services, Tax Audit, special purpose Financial Statements Audit, certifications, regulatory compliance reviews, and other professional engagements undertaken by the auditors in accordance with statutory requirements.

iii) **Certification from Practicing Company Secretary**

Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015, Certificate from a Company Secretary in practice i.e. M/s. Chandrasekaran Associates, Company Secretaries (Firm Registration No: P1988DE002500) has been received stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI/MCA or any such statutory authority. The same forms part of this 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**

The Company has received a certificate from the Secretarial Auditor of the Company as required under the SEBI (LODR) Regulations, 2015 by M/s. Chandrasekaran Associates, Company Secretaries certifying that the Company has complied with the conditions of Corporate Governance as stipulated by in Regulations 17 to 27 clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Regulations, 2015 is attached to this Corporate Governance Report as "Annexure-B" to this report.

vi) **Details of Non-Compliance by the Company, penalties, and restrictions imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three Financial Years**

BSE Limited imposed a penalty of ₹10,000 (Rupees Ten Thousand Only, excluding GST) on the Company under SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103, dated July 29, 2022, for the delay in submitting the intimation of the Record Date as per Regulation 60(2) of the SEBI (LODR) Regulations, 2015 for the month ended October 2023. The Company has duly remitted the requisite fine to the Stock Exchange.

Apart from above, there has been no instance of non-compliance by the Company, neither any penalty and nor any restriction was imposed on the Company by the Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the Financial Year 2025-26 and last three Financial Years.

vii) **Details of Non-Compliance of the Requirements of Corporate Governance Report**

There has been no instance of non-compliance of any requirement of the Corporate Governance.

viii) **Directors and Officers ("D&O") Liability Insurance**

In accordance with the provisions of the Act and Regulation 25(10) of the SEBI (LODR) Regulations, 2015 the Company has obtained a comprehensive D&O Liability Insurance Policy on behalf of all Directors including Independent Directors and KMP. The Policy provides protection against liabilities arising from acts such as negligence, default, misfeasance, breach of duty, or breach of trust in connection with the Company's affairs.

Serving as a cornerstone of the Company's risk Management framework, this insurance offers coverage for defence costs, settlements, and adjudicated claims that may arise from actions initiated by stakeholders, including Shareholders, employees, creditors, and regulatory authorities. By safeguarding the personal assets of Directors and Officers, it reinforces their ability to discharge fiduciary responsibilities with confidence, integrity, and independence.

ix) CEO/ CFO Certification

Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company provide an annual certification to the Board of Directors, affirming the integrity and accuracy of the Company’s Financial Statements and the robustness of its internal control framework.

This certification underscores management’s responsibility for maintaining sound financial reporting practices and effective internal controls, thereby enhancing transparency, accountability, and stakeholder confidence. A copy of the said certificate forms part of this Report as “Annexure C”.

x) Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements of Corporate Governance

In accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015 the Company has met all mandatory requirements. Additionally, the extend of compliance of discretionary requirements as prescribed in Schedule II Part E of SEBI (LODR) Regulations, 2015 are as follows-

- A) Shareholder Rights:** Since the Quarterly, Half-Yearly and Annual Financial Results of the Company are published in newspapers and are also posted on the Company’s website, these are not sent individually to the Shareholders of the Company. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company under the ‘Investor Relation’ section. The complete Annual Report is sent to every Shareholder of the Company.
- B) Audit Qualification:** The Company’s Financial Statements for the year under review have been free from audit qualifications, reflecting adherence to sound financial reporting standards and regulatory compliance. The Company continues to maintain a regime of unmodified audit opinions, ensuring that its financial disclosures remain transparent, accurate, and in line with applicable accounting principles.
- C) Reporting of Internal Auditor:** Pursuant to RBI Circular RBI/2020-21/88 Ref. No. DoS. CO. PPG. /SEC. 05/ 11. 005/2020-21 dated February 03, 2021

and June 11, 2021 (“RBI Circulars”), the Company has appointed in house Head of Internal Audit (“HIA”) who directly reports to the Audit Committee of the Board. Pursuant to Section 138 of the Act, and on the recommendation of Nomination and Remuneration Committee & Audit Committee, the Board of the Company reappointed Mr. Ramachandran Venkatesh as Head of Internal Audit (“HIA”) of the Company for a period of three (3) years, w.e.f. July 18, 2025. Further Audit Committee has met with HIA without the presence of the Managing Director and Chief Executive Officer (MD & CEO) on quarterly basis. The Internal Audit function of the Company has been structured to ensure independent oversight and effective risk management. Unlike outsourced audit models, this governance framework strengthens internal controls, enhances financial discipline, and ensures compliance with regulatory requirements.

- D) Independent Directors:** During the Financial Year 2025-26, the Independent Directors met on December 02, 2025 & March 12, 2026 without the presence of Non Independent Directors and Members of Management.

xi) Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32(7A)

During the year under review, The Company has not raised funds through any Preferential Allotment or Qualified Institutions Placement. Therefore, there are no details to be disclosed as per Regulation 32(7A) of SEBI (LODR) Regulations, 2015.

xii) Compliance with the Mandatory Requirements as Specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015

The Board regularly reviews compliance with all applicable laws. The Company has met all mandatory requirements of the Code of Corporate Governance, as stipulated under Regulations 17 to 27; clauses (b) to (i) of sub-regulation (2) of Regulation 46; and paragraphs C, D, and E of Schedule V of the SEBI (LODR) Regulations, 2015. A certificate confirming this compliance, issued by M/s. Chandrasekaran Associates, Company Secretaries, is attached to the Directors Report.

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

As on March 31, 2026, the Company has no securities in demat or unclaimed suspense accounts resulting from public, bonus or rights issues. Consequently, there are no details regarding the aggregate number of Shareholders, outstanding securities in suspense accounts, or any related matters that require disclosure.

xiv) Disclosure on materially significant related party transactions

The Company has put in place a Policy for Related Party Transactions ("RPTs") which has been approved by the Board. The Policy provides for the identification of RPTs, necessary approvals by the Audit Committee/Board/Shareholders, reporting and disclosure requirements in compliance with the Act and Listing Regulations. All related party transactions executed by the Company during the Financial Year with related parties were on an arm's length basis and were usually in the ordinary course of business. There have been no material significant related party transactions between the Company and its Directors, their relatives or associates. All related party transactions were placed before the Audit Committee for its approval, wherever applicable. Disclosure of transactions with related parties is provided in notes to the Financial Statements, forming part of the Annual Report.

xv) Loans and Advances in the nature of loans to firms/companies in which Directors are Interested:

During the year under review, no loans and advances was granted to firm/companies in which Directors are interested.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sandeep Tandon

Chairperson and Independent Director

(DIN: 00054553)

Date: June 04, 2026

Place: Mumbai

Annexure-A

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL

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

In accordance with Regulation 34(3) read with Schedule V, Para D of the SEBI (LODR) Regulations, 2015 as amended from time to time, I, Manu Yeshpal Singh, Chief Executive Officer of Aavas Financiers Limited hereby confirm that, the Company has adopted a Code of Conduct for its Board Members and the Senior Management and the same is available on the Company's website and all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, as applicable to them, for the Financial Year 2025-26.

For **AAVAS FINANCIERS LIMITED**

Manu Yeshpal Singh
Chief Executive Officer

Date: June 04, 2026
Place: Jaipur

Annexure-B

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LODR) 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 March 31, 2026. 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 as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.:- 6689/2025

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS-1644

Certificate of Practice No.715

UDIN: F001644H000279372

Date: May 05,2026

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, Manu Yeshpal Singh, 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, 2026 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, 2026, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We accept responsibility for establishing and maintaining Internal Controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - i) there has not been any significant changes in Internal Control over financial reporting during the period under reference;
 - ii) there has not been any significant changes in accounting policies during the period under reference requiring disclosure in the notes to the Financial Statements; and
 - iii) there are no 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**

Manu Yeshpal Singh
Chief Executive Officer

Date: May 05, 2026
Place: Mumbai

Ghanshyam Rawat
President and Chief Financial Officer

Date: May 05, 2026
Place: Mumbai

Annexure-3

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practices by Aavas Financiers Limited (hereinafter called **“the Company”**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2026 (**“Audit Period”**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2026 (**“Period under review”**) according to the provisions of:

- (i) The Companies Act, 2013 (**“the Act”**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (**“SCRA”**) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**“SEBI Act”**):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client to the extent of securities issued;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit Period**);
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit Period**).

- (vi) The following other laws are specifically applicable to the Company for which the Management has confirmed that the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively:-

- (a) National Housing Bank (NHB) Act, 1987;
- (b) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time;
- (c) Reserve Bank of India (Housing Finance Companies) Directions, 2025 as amended from time to time;

- (d) Reserve Bank of India (Non-Banking Financial Companies - Know Your Customer) Directions, 2025;
- (e) Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025;
- (f) Guidelines and Regulations issued by Insurance Regulatory and Development Authority to the extent applicable;
- (g) Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023 as amended from time to time.

We have also examined compliance with the applicable Clauses/Regulations of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
- ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, following major events have happened in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.:

- (i) The Company has obtained the approval of Shareholders in its Annual General Meeting held on September 16, 2025, for the following:
 - (a) Issuance of Non-Convertible Debenture in one or more tranches on Private Placement basis for an amount not exceeding ₹8,500/- crore (Rupees eight thousand and five hundred crore only);
 - (b) ‘Aavas Financiers Limited – Equity Stock Option Plan-2025’ (“ESOP-2025”), to create, offer, grant, issue and allot to the eligible employees of the Company not exceeding 23,74,191 options exercisable into not more than 23,74,191 equity shares of face value of ₹10/- (Rupees ten only) each fully paid up.
- (ii) The Nomination and Remuneration Committee of the Company has allotted 1,29,078 (One lakh twenty nine thousand and seventy eight) equity shares of ₹10/- (Rupees ten) each pursuant to exercise of equivalent number of Employee Stock Option under following plans:
 - (a) Equity Stock Option Plan for Employees 2016-I: 6,791 equity shares of ₹10/- each;
 - (b) Equity Stock Option Plan for Employees 2019: 5,879 equity shares of ₹10/- each;
 - (c) Performance Stock Option Plan 2023: 35,840 equity shares of ₹10/- each;
 - (d) Performance Stock Option Plan 2024: 80,568 equity shares of ₹10/- each.

Considering the above said allotment of Equity shares, issued and paid-up capital of the Company stands increased to 7,92,82,743 Equity Shares of ₹10/- each.
- (iii) The Company had issued and allotted following debt securities and commercial papers:
 - (a) Allotted 20,000 (Twenty thousand) Senior, Secured, Rated, Listed, Transferable, Redeemable Non-Convertible Debenture (“NCDs”) in two Series being (i) Series A of 10,000 (Ten thousand) NCDs and (ii) Series B of 10,000 (Ten thousand) NCDs, both Series having a face value ₹1,00,000/- (Rupees one lakh only) each aggregating up to ₹200/- Crore (Rupees two hundred crore only) on Private Placement basis on April 28, 2025;
 - (b) Allotted 20,000 (Twenty thousand) Senior, Secured, Rated, Listed, Transferable, Redeemable Non-Convertible Debenture (“NCDs”) having a face value ₹1,00,000/- (Rupees one lakh only) each aggregating up to ₹200/- Crore (Rupees two hundred crore only) on Private Placement basis on June 26, 2025.

Issued Commercial Paper in form of Usance Promissory Note(s) having face value of ₹5,00,000/- aggregating to an amount of upto ₹200/- Crore (Rupees two hundred crore only) on June 17, 2025.

- (iv) Lake District Holdings Limited (“LDHL”), erstwhile Promoter of Company (ii) Partners Group ESCL Limited (“PGEL”), erstwhile Promoter of Company & (iii) Partners Group Private Equity (Master Fund), LLC (“PGPE”) erstwhile Promoter Group of Company (LDHL, PGEL and PGPE collectively referred as ‘Sellers’) and the Company entered into share sale agreements (‘SPA’) dated August 10, 2024 with Aquilo House Pte. Ltd. (‘Purchaser’) wherein, the Purchaser has acquired 1,78,08,116 equity shares of the Company representing 22.50% of the paid-up share capital of the Company on non-diluted basis up to March 31, 2025.

During the year under review and pursuant to SPA, the Purchaser acquired additional 2,09,49,112 equity shares of the Company representing 26.47% of the paid-up share capital of the Company from the Sellers by way of off-market transfer on June 30, 2025.

Post such additional acquisition of equity shares of the Company during the year under review, the total shareholding of the Purchaser increased to 3,87,57,228 equity shares in the

Company representing 48.88% of the paid-up share capital of the Company.

By virtue of such transfer of shares by Sellers to the Purchaser, the Sellers ceased to be in control of the Company and the Sellers and such persons that were classified as members of the ‘Promoter and Promoter group’ of the Company stood re-classified to Public Shareholders; and the purchaser has been categorized as a ‘Promoter’ of the Company in accordance with the applicable laws.

Further, the Purchaser acquired control of the Company and by virtue of the Articles of Association also became Holding Company of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 6689/2025

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644H000279262

Date: May 05, 2026

Place: New Delhi

Notes:

- (i) *This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.*
- (ii) *We conducted the secretarial audit by examining records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.*
- (iii) *This report is limited to the Statutory Compliances on laws/ regulations / guidelines listed in our report which have been complied by the Company up to the date of this report pertaining to Financial Year ended March 31, 2026.*

ANNEXURE-A

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

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**
Company Secretaries
FRN: P1988DE002500
Peer Review Certificate No.:- 6689/2025

Dr. S. Chandrasekaran
Senior Partner
Membership No. FCS 1644
Certificate of Practice No. 715
UDIN: F001644H000279262

Date: May 05, 2026
Place: New Delhi

Annexure-4

SECRETARIAL COMPLIANCE REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

[Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
Aavas Financiers Limited,
201-202, 2nd Floor, Southend Square Mansarovar Industrial Area,
Jaipur – 302020 (Rajasthan)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Aavas Financiers Limited** (hereinafter referred as **“the listed entity”**), having its Registered Office at 201-202, 2nd Floor, Southend Square Mansarovar Industrial Area, Jaipur – 302020 Rajasthan. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We Chandrasekaran Associates, Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification.

For the year ended on March 31, 2026 (**“Review Period”**) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (**“SEBI Act”**) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (**“SCRA”**), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (**“SEBI”**);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“LODR Regulations”**);
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the review period;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable;
- (i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client to the extent of securities issued;
- (j) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company) to the extent applicable;

and circulars/ guidelines issued thereunder and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ clarification/ fine/penalty/ settlement/ Show cause notice/ Warning letter etc.)	Details of Violation	Fine Amount	Observations/ Re- marks of the Practicing Company Secretary	Management Response	Remarks
NA										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2025	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
NIL						

- (c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of Board of Directors of the listed entities. - All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time as per the Regulations/circulars/guidelines issued by SEBI.	Yes	
3.	Maintenance and disclosures on Website: - The Listed entity is maintaining a functional website. - Timely dissemination of the documents/ information under a separate section on the website. - Web-links provided in annual Corporate Governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/section of the website.	Yes	
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	Based on the confirmation received from the Directors of the listed entity.
5.	Details related to Subsidiaries of listed entities: (a) Identification of material subsidiary Companies.	NA	The Company did not have any subsidiary during the year.
	(b) Requirements with respect to disclosure of material as well as other subsidiaries.	NA	The Company did not have any subsidiary during the year.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every Financial Year as prescribed in SEBI Regulations.	Yes	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related Party Transactions; or (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/ rejected by the Audit Committee.	Yes NA	 The Company has obtained the prior approval of Audit Committee for all Related Party Transactions.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of LODR Regulations within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) taken against the listed entity/ its Promoters/ Directors/Subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder with respect to the listed entity.	Yes	No Actions taken against the listed entity/ its Promoters/ Directors/ Subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.
12.	Resignation of Statutory Auditors from the listed entity or its material subsidiaries: In case of resignation of Statutory Auditor from the listed entity or any of its material subsidiaries during the Financial Year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	No Statutory Auditor resigned during the review period from the listed entity. Further, the Company did not have any material subsidiary.
13.	No additional non-compliances observed: No additional non-compliance observed for any of the SEBI Regulation/circular/guidance note etc. except as reported above.	No	No non-compliance observed for all SEBI Regulation/circular / guidance note etc.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS
14.	The listed entity to comply with the following requirements for disclosure of Employee Benefit Scheme Documents in terms of Regulation 46(2)(za) of the LODR Regulations: (a) The scheme document shall be uploaded on the website of the listed entity after obtaining Shareholder approval as required under SEBI (SBEB) Regulations, 2021.	Yes	
	(b) The documents uploaded on the website shall mandatorily have minimum information to be disclosed to Shareholders as per SEBI (SBEB) Regulations, 2021.	Yes	
	(c) The rationale for redacting information from the documents and the justification as to how such redacted information would affect competitive position or reveal commercial secrets of the listed entity shall be placed before the Board of Directors for consideration and approval.	NA	The listed entity has not redacted any information from the documents uploaded on website in terms of Regulation 46(2)(za) of LODR Regulations.

Assumptions & Limitation of scope and Review:

- Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the listed entity.
- This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.
- This Report is limited to the Statutory Compliances on laws/regulations/guidelines listed in our report which have been complied by the Company up to the date of this Report pertaining to Financial Year ended March 31, 2026.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 6689/2025

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644H000279317

Date: May 05, 2026

Place: New Delhi

Annexure-5

DIVIDEND DISTRIBUTION POLICY

I. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, [**“Listing Regulations”**] vide circular no. SEBI/LAD- NRO/GN/2016-17/008 dated July 8, 2016; the Board of Directors of the Company at its meeting held on June 08, 2018 have approved and adopted the Dividend Distribution Policy [**“Policy”**] of the Company.

II. OBJECTIVE

This Policy aims to ensure that the Company makes rationale decision with regard to the amount to be distributed to the equity Shareholders as dividend after retaining sufficient funds for the Company’s growth, to meet its long-term objective and other purposes.

This Policy lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/declaration of dividend to its Shareholders.

III. DEFINITIONS

- A. **“Act”** means the Companies Act, 2013 and rules made thereunder [including any amendments or re-enactments thereof].
- B. **“Applicable laws”** shall mean to include Act and rules made thereunder, [including any amendments or re-enactments thereof], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any amendments or re-enactments thereof], Rules/guidelines/notifications/circulars issued by Reserve Bank of India (RBI)/National Housing Bank (NHB) and any other regulation, rules, acts, guidelines as may be applicable to the distribution of dividend.
- C. **“RBI Directions”** means- Reserve Bank of India (Non-Banking Financial Companies–Prudential Norms on Declaration of Dividends) Directions, 2025.
- D. **“Board”** or **“Board of Directors”** shall mean Board of Directors of the Company, as constituted from time to time.

- E. **“Company”** shall mean Aavas Financiers Limited.
- F. **“Dividend”** includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.
- G. **“Financial Year”** shall mean the period starting from 1st day of April and ending on the 31st day of March every year.
- H. **“Free reserves”** shall mean the free reserves as defined under Section 2 (43) of the Act.

IV. PARAMETERS GOVERNING THE DISTRIBUTION OF DIVIDEND

A. Factors for recommendation/ declaration of dividend.

i. Internal factors (Financial Parameters)

The Board shall consider the below mentioned financial parameters for the purpose of recommendation/declaration of dividend:

- a. Current Year’s net operating profit.
- b. Capital expenditure and working capital requirements.
- c. Financial commitments w.r.t. the outstanding borrowings and interest thereon.
- d. Supervisory findings of the NHB on divergence in classification and provisioning for Non-Performing Assets (NPAs).
- e. Qualifications in the Auditors’ Report to the financial statements.
- f. Long term growth plans of the Company.
- g. Financial requirement for business expansion and/or diversification, acquisition of new businesses.
- h. Provisioning for financial implications arising out of unforeseen events and/or contingencies.
- i. Past dividend trend.
- j. Cost of borrowings.
- k. Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
- l. Any other factor as deemed fit by the Board.

ii. External Factors

The Board shall also consider the below mentioned external factors at the time of taking a decision w.r.t recommendation/declaration of dividend:

- a. Applicable laws and regulations including taxation laws.

- b. Economic conditions.

- c. Prevalent market practices of dividend payment in similar industry.

The Board shall ensure that the total dividend proposed for the Financial Year does not exceed the ceilings specified in this Policy.

iii. Minimum prudential requirements prescribed by the RBI

The Company shall comply with the following minimum prudential requirements to be eligible to declare dividend:

Sr. No.	Parameter	Requirement
1.	Capital Adequacy	The Company have met the applicable regulatory capital requirement as defined under Paragraph 8 of RBI Directions for each of the last three Financial Years including the Financial Year for which the dividend is proposed.
2.	Net NPA	The net NPA ratio is less than 6 per cent in each of the last three years, including as at the close of the Financial Year for which dividend is proposed to be declared.
3.	Other criteria	A. The Company is complied with the provisions of Section 29C of the National Housing Bank Act, 1987. B. The Company is complied with the prevailing regulations/ guidelines issued by the Reserve Bank/NHB. C. The NHB has not placed any explicit restrictions on declaration of dividend.

iv. Quantum of Dividend Payable

The Company eligible to declare dividend as per paragraph C above, may pay dividend, subject to the following:

- a. The dividend payout ratio is the ratio between the amount of the dividend payable in a year and the net profit as per the audited financial statements for the Financial Year for which the dividend is proposed.
- b. Proposed dividend shall include both dividend on equity shares and compulsorily convertible preference shares eligible for inclusion in Tier 1 Capital.
- c. In case the net profit for the relevant period includes any exceptional and/or extra-ordinary profits/ income or the financial statements are qualified (including 'emphasis of matter') by the Statutory Auditor that indicates an overstatement of net profit, the same shall be reduced from net profits while determining the Dividend Payout Ratio.
- d. The Maximum Dividend Payout Ratios for the Company to declare dividend is 50%.

B. Circumstances under which the Shareholders of the Company may or may not expect dividend.

The decision to recommend/declare the dividend by the Board of Directors shall primarily depend on the factors listed out at point no. 1 above. The decision seeks to balance the dual objectives of appropriately rewarding Shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. However, the Shareholders of the Company may not expect dividend in the below mentioned circumstances:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cash flow available for distribution.
- iv. In the event of inadequacy or absence of profits.
- v. Under any other circumstances as may be specified by the Companies Act, 2013 or any other applicable regulatory provisions or as may be specified under any contractual obligation entered into with the lenders.

- vi. Any other circumstances as may be decided by the Board depending upon the situation at that time.

The Board of Directors, while considering the proposals for dividend, shall take into account each of the following aspects:

- a. Supervisory findings of the National Housing Bank (NHB) on divergence in classification and provisioning for Non-Performing Assets (NPAs).
- b. Qualifications in the Auditors Report to the financial statements.
- c. Long term growth plans of the HFC.

C. Manner of utilization of Retained Earnings.

The Board of Directors of the Company may recommend/declare dividend out of the profits of the Company or out of the profits for any previous Financial Year or years or out of free reserves available for distribution of dividend, as per the regulatory provisions after consideration of the factors as stated at point no. 1 above. The Board may retain its earnings in order to make better use of the available funds and increase the value of the Stakeholders in the long run.

D. Manner of declaration and payment of dividend.

i. Process for approval of payment of final dividend

Board to recommend quantum of final dividend payable to Shareholders in its meeting in line with applicable laws and rules prescribed thereof, based on the profits arrived at as per the audited financial statements and post Shareholders approval for dividend in the Annual General Meeting, the same shall be paid to the eligible Shareholders within stipulated timelines as per applicable laws.

ii. Process for approval of payment of interim dividend

Board may declare interim dividend, one or more times in a Financial Year, at its complete discretion in line with applicable laws and rules prescribed thereof, out of the surplus in the profit and loss account or out of profits of the Financial Year for which such interim dividend is sought to be declared or out of profits generated in the Financial Year till the quarter preceding the date of declaration of the interim dividend.

The Board shall consider the financial results of the Company for the period for which interim dividend is to be declared and shall be satisfied that the financial

position of the Company justifies and supports the declaration of such dividend.

The financial results shall take into account the following-

- a) Depreciation for the full year;
- b) Tax on profits of the Company including deferred tax for full year;
- c) Other anticipated losses for the Financial Year;
- d) Dividend that would be required to be paid at the fixed rate on preference shares;
- e) The Losses incurred, if any, during the current Financial Year up to the end of the quarter, immediately preceding the date of declaration of interim dividend;

The declaration of interim dividend is subject to the compliance of condition mentioned in Clause IV-Parameters governing the distribution of dividend.

E. Other factors to be considered with regard to various classes of shares.

Since the Company has only one class of equity Shareholders, the dividend declared will be distributed equally among all the equity Shareholders, based on their shareholding on the record date.

V. GENERAL

- i. Pursuant to the provisions of Section 123 of the Act, Articles of Association of the Company and this Policy, the Board of Directors shall recommend the final dividend, which shall be declared by the Shareholders of the Company at the Annual General Meeting. The Board may also, from time to time, declare interim dividend which shall be subject to confirmation by the Shareholders at the Annual General Meeting.
- ii. The Company shall ensure compliance with the Applicable laws w.r.t. payment of dividend to the Shareholders. It shall ensure that the amount of the dividend, including interim dividend, is deposited by the Company in a scheduled bank in a separate account within five days from the date of declaration of such dividend.
- iii. Due regard shall be given to the restrictions/ covenants contained in any agreement entered into with the lenders of the Company or any other financial covenant as may be specified under any other arrangement/ agreement, if any, before recommending or distributing dividend to the Shareholders.

VI. REPORTING SYSTEM

The Company on declaring dividend shall report details of dividend declared during the Financial Year as per the format prescribed in Annexure I. The report shall be furnished within a fortnight after declaration of dividend to the Department of Supervision of NHB.

VII. DISCLOSURES

The Company shall make appropriate disclosures in compliance with the provisions of the Listing Regulations, in particular the disclosures required to be made in the annual report and on the website (www.aavas.in) of the Company.

In case, the Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such

changes along with the rationale in the annual report and on its website.

VIII. REVIEW AND UPDATES

This Policy will be reviewed periodically as and when required and annually by the Board of the Company, further the Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the applicable laws/ acts /regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued under any applicable laws/ regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure –6

FORM AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangement or transactions entered into during the Financial Year ended March 31, 2026, which were not at arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis.

The below contracts or arrangements are not material and are at arm's length basis, however it is disclosed voluntarily:

Sr. No	Name of related party and Nature of Relationship	Nature of Contract/ Arrangement/ Transactions	Duration of the Contract/ Arrangement/ Transactions	Salient terms of the Contract or Arrangement or Transactions including the value, if any	Date(s) of Approval by the Board	Amount received/ paid as advance, if any
i.	*Perfios Software Solutions Private Limited, Private Company in which Director of the Company is Director.	Service Agreement	3 Year	i. Agreement Date: October 06, 2022. ii. Service Agreement for Insight Statement upload API and Insight generate Link API. iii. The Company will pay consideration as set out in the agreement. iv. The transaction is at arm's length basis and in the ordinary course of business. Further, there is no other conflict of interest in the said transaction.	October 26, 2023	Nil

*The Company had executed an agreement with Perfios Software Solutions Private Limited on October 06, 2022 and following the appointment of Mr. Kartikeya Dhruv Kaji on the Board of Perfios October 19, 2023, it became related party. Mr. Kartikeya Dhruv Kaji has resigned from the Board of the Company w.e.f. May 21, 2024. Mr. Nishant Sharma has been appointed on the Board of Perfios Software Solutions Private Limited w.e.f. June 03, 2024, thereafter, Mr. Nishant Sharma ceased to be Director of the Company w.e.f. June 30, 2025, therefore, Perfios Software Solutions Private Limited ceased to be related party of the Company w.e.f. June 30, 2025.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sandeep Tandon

Chairperson and Independent Director

(DIN: 00054553)

Date: June 04, 2026

Place: Mumbai

Annexure-7

PARTICULARS OF EMPLOYEES

Information under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The statement of disclosure of Remuneration under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	REQUIREMENTS	DISCLOSURE
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year.	Executive Director Mr. Sachinderpalsingh Jitendrasingh Bhinder[^]: 71.82 X Non-Executive Directors Mr. Sandeep Tandon: 5.69 X Mrs. Kalpana Kaushik Mazumdar: 5.66 X Mrs. Soumya Rajan: 5.69 X Mr. Rohit Ranjan:* 2.85 X Note: [^]ceased as Managing Director and CEO of the company w.e.f close of business hours of April 20,2026. *appointed as Non-Executive Nominee Director w.e.f. October 15, 2025. Mr. Siddharth Tapaswin Patel, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka and Mr. Anant Jain, Non-Executive Nominee Director of the Company, have not take any remuneration during the Financial Year 2025-26.
2.	The percentage increase/ (decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the Financial Year.	Directors Mr. Sachinderpalsingh Jitendrasingh Bhinder[^](MD & CEO): 13.97% Mr. Sandeep Tandon (Independent Director): 0.00% Mrs. Kalpana Kaushik Mazumdar (Independent Director): 0.00% Mrs. Soumya Rajan (Independent Director): 0.00% [^]ceased as Managing Director and CEO of the company w.e.f close of business hours of April 20,2026. Key Managerial Personnel's (KMP's) other than Directors Mr. Ghanshyam Rawat (President and CFO): 3.21% Mr. Ashutosh Atre (President and CRO): 4.07% Mr. Saurabh Sharma* (CS & CO): 234.23%
3.	The percentage increase/ (decrease) in the Median Remuneration of Employees in the Financial Year.	(4%)
4.	No. of Permanent Employees on the Rolls of the Company.	7,649

Sr. No.	REQUIREMENTS	DISCLOSURE
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase in the remuneration of all employees (other than KMP's): 7.83% The average percentage increase in the remuneration of KMP's: 11.76% Further there was no exceptional circumstance which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is affirmed that the remuneration is as per the Remuneration Policy of the Company.

*Mr. Saurabh Sharma was appointed as Company Secretary and Compliance Officer with effect from January 31, 2025. The significant increase in median remuneration of the Company Secretary and Compliance Officer is attributable to restructuring of compensation due to change in role/ responsibilities, and is not reflective of a routine year-on-year increase or not comparable with previous year figures.

Notes:

1. The variation in overall median remuneration during the year is primarily on account of an increase in the number of permanent employees as compared to previous year, which has impacted the median calculation. This does not reflect a reduction in employee compensation, as salary increments were granted in line with the Company's policy.
2. Median remuneration has been calculated for permanent employees who were in employment for the whole of Financial Year 2024-25 and Financial Year 2025-26.
3. Calculations of remuneration have been made on comparable and annualized basis.
4. The remuneration of KMP's was taken from the Audited Financial Statements for Financial Year 2025-26.
5. Remuneration comprises of salary (fixed and variable), allowances, perquisites/ taxable value of perquisites but doesn't include perquisite value of ESOPs exercised.

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sandeep Tandon

Chairperson and Independent Director

(DIN: 00054553)

Date: June 04, 2026

Place: Mumbai

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY.

The Company recognises Corporate Social Responsibility (“CSR”) as an important element of responsible Corporate Governance and remains committed to contributing towards the social and economic development of the communities in which it operates. Corporate Social Responsibility (“CSR”) is an integral part of the Company’s values and business philosophy, reflecting its commitment to contribute meaningfully towards social development, environmental sustainability, and inclusive growth.

Through its CSR initiatives, the Company endeavours to create long-term positive impact by supporting initiatives in the area of:

- Environment Sustainability
- Education
- Health & Well Being
- Livelihoods & Women Empowerment
- Holistic Village Development
- Promoting Sports
- General Public Utility

In line with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company has adopted a CSR Policy which outlines the guiding principles, governance framework, and implementation approach for undertaking CSR activities. The CSR Policy ensures that the Company’s CSR initiatives are carried out in a structured, transparent, and accountable manner, aligned with the requirements of the applicable statutory provisions.

To oversee the effective implementation of CSR initiatives, the Company has constituted a Corporate Social Responsibility & Environmental, Social & Governance Committee (CSR & ESG Committee) of the Board, which provides strategic direction and monitors the progress of CSR activities.

In order to ensure focused and efficient implementation of its CSR initiatives, the Company has also established ‘Aavas Foundation’ (“The Foundation”) which undertakes and facilitates CSR activities on behalf of the Company in accordance with the applicable legal framework.

2. COMPOSITION OF CSR & ESG COMMITTEE.

Sr. No.	Name of Director	Designation/ Category	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
1.	Mr. Nikhil Omprakash Gahrotra*	Chairperson (Non-Executive Promoter Nominee Director)	3	2
2.	Mrs. Kalpana Kaushik Mazumdar	Member (Independent Director)	3	3
3.	Mr. Sachinderpalsingh Jitendrasingh Bhinder^	Member (Executive Director)	3	3

Sr. No.	Name of Director	Designation/ Category	Number of meetings of CSR & ESG Committee held during the year	Number of meetings of CSR & ESG Committee attended during the year
4.	Mr. Vivek Vig ^{^^}	Member (Non-Executive Nominee Director)	3	1
5.	Mr. Rahul Mehta ^{^^}	Chairperson (Non-Executive Promoter Nominee Director)	3	1
6.	Mr. Rohit Ranjan ^{**}	Member (Non-Executive Nominee Director)	3	1
7.	Mrs. Neha Sureka ^{^^^}	Member (Non-Executive Nominee Director)	3	1

[^]Ceased as member effective from closing of business hours of April 20, 2026.

^{^^}Ceased as member w.e.f. June 30, 2025.

^{**}Appointed as Member w.e.f. November 11, 2025.

^{^^^}Ceased as Member w.e.f November 11, 2025.

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR & ESG COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

- The composition of CSR & ESG Committee is available on the website of the Company at <https://www.aavas.in/corporate-social-responsibility>
- The CSR Policy of the Company is available on the website of the Company at <https://www.aavas.in/img/pdf/corporate-social-responsibility-policy.pdf>
- The CSR projects approved by the Board is available on the website of the Company at <https://www.aavas.in/img/pdf/csr-approved-projects-2025-26.pdf>

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES 2014, IF APPLICABLE.

Pursuant to sub-rule (3) of Rule 8, of the Companies (Corporate Social Responsibility Policy) Rules 2014, the impact assessment of below two CSR projects was carried out:

- Traffic Police Assistance Booths Project
- On-Grid Solar Plants in Government Hospitals

The Executive Summary of Impact Assessment of above said CSR Projects are as below:

Project Name	Key Highlights of the Project	Independent Agency that conducted Impact Assessment	Key Observations
Traffic Police Assistance Booths Project	- o 39 booths installed across 8 cities - o 85.7% Stakeholders reported improved traffic flow - o 96.4% booths functional daily - o 100% improvement in accident response time. Enhanced traffic monitoring and enforcement effectiveness	SGS India Private limited	Both projects have demonstrated: - o Strong social and operational impact - o High Stakeholder satisfaction and usability - o Alignment with national priorities such as: · Sustainable urban infrastructure · Renewable energy adoption · Public health system strengthening
On-Grid Solar Plants in Government Hospitals	- o 6 hospitals supported with ~620 kWp solar capacity - o ~75% reduction in electricity costs reported - o ~75% improvement in power reliability - o Solar contributes ~80% of energy needs in certain locations. High operational reliability with minimal breakdowns		

Complete Impact Assessment Reports for both the projects as mentioned in above table are available on the website of the Company at <https://www.aavas.in/corporate-social-responsibility>

5. a) **Average net profit of the Company as per sub-section (5) of Section 135.**
₹63,552.60 lakh
- b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135.**
₹1,271.05 lakh
- c) **Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years.**
Nil
- d) **Amount required to be set off for the Financial Year, if any.**
₹57.20 lakh
- e) **Total CSR obligation for the Financial Year [(b)+(c)-(d)].**
₹1,213.85 lakh
6. a) **Amount spent on CSR projects (both ongoing project and other than ongoing project).**
₹1,191.50 lakh
- b) **Amount spent in administrative overheads.**
₹43.63 lakh
- c) **Amount spent on impact assessment, if applicable.**
₹7.23 lakh
- d) **Total amount spent for the Financial Year [(a)+(b)+(c)].**
₹1,242.36 lakh

e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,242.36	N/A	N/A	N/A	N/A	N/A

f) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in lakh)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) Section 135	₹1,271.05
(ii)	Total amount spent for the Financial Year*	₹1,299.56
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹28.51
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N/A
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹28.51

*This includes previous year set off amount of ₹57.20 Lakh

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS.

1	2	3	4	5	6		7	8
Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in lakh)	Balance Amount in Unspent CSR Account under sub- section (6) of Section 135 (in lakh)	Amount spent in the Financial Year (in lakh)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in lakh)	Date of Transfer		
1.	Financial Year-1 2022-23	0	0	48.43	0	0	0	0
2.	Financial Year-2 2023-24	0	0	0	0	0	0	0
3.	Financial Year-3 2024-25	0	0	0	0	0	0	0

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR.

Yes ☒ No ☒

If Yes, enter the number of Capital assets created/ acquired **03**

The details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
-	-	-	-	-	CSR Registration Number, if applicable	Name	Registered address
1.	Educational and Cultural Hall at Harekrishna Movement Jaipur, C-6 to C-11, Mahal Yojna, Jagatpura, Jaipur	302017	December 01,2025	62,50,000	CSR00002414	Harekrishna Movement Jaipur	C-6 to C-11, Mahal Yojna, Jagatpura, Jaipur, Rajasthan-302017
2.	01 Nos. of Maruti Eeco Ambulance 1.2L SMT (Shell) Petrol at Sassoon General Hospital, Jay Prakash Nayaran Road, Pune, Maharashtra	411001	August 18,2025	7,74,661	CSR00023896	Sassoon Hospital Denagi Samiti	Office of Medical Superintendent, Sassoon General Hospital, Jay Prakash Narayan Road, Pune-411001, Maharashtra
3.	01 Nos. of Maruti Eeco Ambulance Shell 1.2L 5MT-VRMPEH1 at Taluka General Hospital, Gokak, Dist- Belgaum, Karnataka	591307	May 14,2025	8,02,354	Not Applicable (It's a public authority)	Taluka General Hospital Gokak	Chief Medical Officer, Taluka General Hospital, Gokak, Dist- Belgaum, Karnataka-591307

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SUB-SECTION (5) OF SECTION 135.

N/A

For and on behalf of the Board of Directors

AAVAS FINANCIERS LIMITED

Sandeep Tandon

Chairperson and Independent Director
(DIN: 00054553)

Nikhil Omprakash Gahrotra

Non-Executive Nominee Director,
Chairperson of CSR and ESG Committee
(DIN: 01277756)

Date: May 05, 2026

Place: Mumbai

Date: May 05, 2026

Place: Mumbai

Annexure-9

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

1. Objective of Policy

The Board of Directors ("the Board") of Aavas Financiers Limited (hereinafter referred to "the Company" or "AFL"), in pursuance of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) and other applicable provisions, as amended from time to time, has adopted Related Party Transaction Policy ("this policy") to regulate the transactions between the Company and its related parties. The Board of Directors (the "Board") further recognizes that transaction with related party(s) could raise conflicts of interest and therefore has adopted this Related Party Transaction Policy (this "Policy") to be followed in connection with all Related Party Transactions involving the Company. All Transactions with related party shall be subject to review and approval in accordance with the procedures set forth below, inter-alia, the provisions of applicable laws.

2. Definitions

Unless the term(s) otherwise defined, the following terms shall have the following meaning assigned to them wherever appearing in the policy:

- i) **"Applicable Laws"** includes (a) the Companies Act, 2013 ('the Act') and rules made thereunder; (b) the SEBI LODR Regulations (c) Accounting Standards (d) National Housing Bank (NHB) Act, 1987, Reserve Bank of India (Housing Finance Companies) Directions, 2025 issued by Reserve Bank of India (RBI) and Notifications issued by RBI/NHB from time to time, as amended from time to time and (e) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.
- ii) **"Arm's length transaction"** shall mean transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. (Explanation to Section 188(1) of Act)
- iii) **"Audit Committee"** means the Committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder and SEBI LODR.

iv) **"Company"** or **"Listed Entity"** or **"AFL"** means Aavas Financiers Limited.

v) **"Control"**

- a) ownership, directly or indirectly, of more than one half of voting power of an enterprise, or
- b) control of the composition of the Board of Directors in the case of a Company or of the composition of the corresponding governing body in case of any other enterprise, or
- c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

vi) **"Key Managerial Personnel"** or **"KMP"** shall have the meaning as defined in the Act.

vii) **"Material Modification"** shall mean a 10% or more increase/decrease in the original value/ consideration of any Related Party Transaction which was approved by the Audit Committee/Shareholders of the Company, as the case may be.

viii) **"Material Related Party Transaction"** A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year exceeds the following:

Consolidated Turnover of Listed Entity	Threshold
Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crore, whichever is lower.

The annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

Notwithstanding anything contained above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceed Five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Further, A transaction with related party, if the transaction/transactions to be entered into individually or taken together with previous transactions during a Financial Year which is not in ordinary course of business and/or not on arm's length basis, exceeds the limit prescribed under the Companies Act, 2013 and rules made thereunder shall also be considered as Material Related Party Transaction.

ix) **“Omnibus approval”** In case of certain frequent/ repetitive/ regular transactions with related parties which are in the ordinary course of business of the Company and on Arm's length basis, the Independent Directors of the Audit Committee may grant an omnibus approval for such Related Party Transactions proposed to be entered into by Company or its subsidiary, subject to the following conditions, namely-

- (i) the Audit Committee shall, after obtaining approval of Board, lay down the criteria for granting the omnibus approval in line with the Policy on Related Party Transactions of the entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (ii) the Audit Committee shall satisfy itself regarding the need and justification for such omnibus approval and that such approval is in the interest of the entity;
- (iii) the omnibus approval shall specify, inter-alia:
 - (a) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (b) the indicative base price/current contracted price and the formula for variation in the price if any; and

(c) such other conditions as the Audit Committee may deem fit: Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees one crore per transaction.

(d) such other conditions as may be specified by the law from time to time.

(iv) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

(v) Such omnibus approvals shall be valid for a period not exceeding one Financial Year and shall require fresh approvals after the expiry of one Financial Year.

(vi) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

However, Remuneration and sitting fees paid by the listed entity or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of Regulation 23 (1) of SEBI (LODR), Regulations, 2015.

Where the need for proposed Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore per transaction;

In case of transaction, other than transactions referred to in Section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

In case any transaction involving any amount not exceeding Rupees one crore is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if

the transaction is with the related party to any director or is authorised by any other director, the Director concerned shall indemnify the Company against any loss incurred by it.

- (vii) In case of omnibus approval, granted by Shareholders in General Meetings other than AGM, the validity of such omnibus approvals shall not exceed one year from the date of such approval.
- (viii) The Audit Committee shall also consider the details as required by Industry Standards notified by SEBI and such other disclosure as may be required to be placed before the committee for the omnibus approval of Related Party Transactions.

Ratification of transactions by Audit Committee:

The members of the Audit Committee, who are Independent Directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a Financial Year shall not exceed Rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this Regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of Related Party Transactions in terms of the provisions of sub-regulation (9) of this Regulation;
- (v) any other condition as specified by the Audit Committee.

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any Director, or is authorised by any other Director, the Director(s) concerned shall indemnify the listed entity against any loss incurred by it.

x) “Related Party”

In relation to the Company, means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

“Provided that:

- (i) Any person or entity forming a part of Promoter or Promoter Group of the Company or;
- (ii) Any person or any entity holding equity shares of
 - (a) 20% or more or
 - (b) 10% or more (with effect from April 01, 2023) in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding Financial Year, shall be deemed to be a related party.”

xi) “Related Party Transaction” (hereinafter referred as “RPTs”)

As per SEBI (LODR) Regulation, “Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- (ii) Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, (with effect from April 1, 2023); regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Exemptions: (“Transactions not to be considered as Related Party Transactions”):

Provided that the following shall not be a Related Party Transaction:

- (i) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (ii) the following corporate actions by the Company which are uniformly applicable/offered to all Shareholders in proportion to their shareholding:
 - (a) payment of dividend;
 - (b) subdivision or consolidation of securities;
 - (c) issuance of securities by way of a rights issue or a bonus issue; and
 - (c) buy-back of securities.
- (iii) acceptance of fixed deposits by banks/ Non-Banking Finance Companies at the terms uniformly applicable/offered to all Shareholders/public, subject to disclosure of the same along with the disclosure of Related Party Transactions every six months to the stock exchange(s), in the format as specified by the Board.
- (iv) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (iii) and (iv) above, acceptance of deposits includes payment of interest thereon.
- (v) retail purchases from the Company or its subsidiary by [the Directors or Key Managerial Personnel of the listed entity or its subsidiary, and relatives of such Directors or Key Managerial Personnel], without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, Directors, Key Managerial Personnel and relatives of Directors or Key Managerial Personnel.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

As per the Act, Related Party Transaction will include following specific transactions:

- i. sale, purchase or supply of any goods or materials;
- ii. selling or otherwise disposing of, or buying, property of any kind;
- iii. leasing of property of any kind;
- iv. availing or rendering of any services;

- v. appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- vii. Underwriting the subscription of any securities or derivatives thereof, of the Company.
- xii) **"Relative"** In terms of Section 2(77) of the Act read with the rules prescribed therein.
- xiii) **"Transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.
- xiv) **"Undertaking"** shall mean an undertaking in which the investment of the Company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding Financial Year or an undertaking which generates twenty per cent. of the total income of the Company during the previous Financial Year

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Regulations or any other applicable law, guidelines or regulation, as amended from time to time.

3. Procedures

3.1 Audit Committee

- 3.1.1 Each of AFL Directors and KMPs are instructed to inform the Company Secretary or Management of the Company of any potential Related Party transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. All such transactions will be analysed by the Audit Committee in consultation with management to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- 3.1.2 All Related Party Transactions and subsequent material modifications shall require approval of those members of the Audit Committee who are Independent Directors irrespective of the RPT being in ordinary course of business or arm length basis.
- 3.1.3 Prior approval of the Audit Committee shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and regulation 15(2) of the SEBI LODR, 2015

are applicable to such listed subsidiary. For such Related Party Transactions, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

3.1.4 The Audit Committee shall review the status of long term (more than one year) or recurring Related Party Transactions on an annual basis.

3.1.5 To review a Related Party Transaction, the Audit Committee shall be provided with such information as prescribed by SEBI through Industry Standards note and circulars including amendment thereof from time to time.

3.1.6 The Related Party Transactions which are not in the ordinary course of business and/or not at arm's length will be reviewed by the Audit Committee and then recommended to the Board of Directors for its approval or recommending to the Shareholders of Company for their approval.

3.1.7 If a Related Party Transaction is ongoing, the Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the related party. Thereafter, the Committee shall periodically review and assess ongoing relationships with the related party.

3.1.8 The Committee may also disapprove of a previously entered Related Party Transaction and may require that management of the Company take all reasonable efforts to terminate, unwind, cancel or annul the Related Party Transaction.

3.1.9 A Related Party Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Committee as promptly as reasonably practical and not later than three months after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

3.1.10 The Committee may decide to get advice, certification, study report, transfer pricing report, rely upon certification issued as per the requirement of other laws etc. from a professional (includes Statutory/Internal Auditors) or technical person including price discovery process, to review transactions with related party.

3.1.11 Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction. However, the Chairperson of the Committee may allow participation of such member in some or all of the Committee's discussions of the Related Party Transaction.

3.1.12 The Audit Committee may review any previously approved or ratified Related Party Transaction that is continuing and determine based on then existing facts and circumstances, including the Company's existing contractual or other obligations, if it is in the best interests of the Company to continue, modify or terminate the transaction.

3.1.13 A Related Party Transaction above Rupees one crore, whether entered into individually or taken together with previous transactions during a Financial Year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of Audit Committee if the aggregate value of such transaction in Financial Year, exceeds the lower of the following:

- (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of SEBI LODR Regulations.

3.1.14 A Related Party Transaction above Rupees one crore, whether entered into individually or taken together with previous transactions during a Financial Year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval shall be obtained if the value of such transaction, exceeds the lower of the following:

- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary (not older than three months); or
- (ii) the threshold for material Related Party Transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aforesaid approval shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the listed entity is not a party, if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable on the subsidiary of the Company.

3.2 Board of Directors

- 3.2.1 Approval of the Board shall not be required for the RPTs to be entered into in ordinary course of business and at arm's length basis, unless recommended by the Board.
- 3.2.2 All related parties with whom the Company intends to enter into transaction as recommended by Audit Committee and which are other than in ordinary course of business or arm length basis, will require prior approval of the Board of Directors.
- 3.2.3 The Board of Directors shall review and recommend all transactions in terms of section 188(1) requiring Shareholders' prior approval.
- 3.2.4 Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- 3.2.5 The information as required by the Companies Act, SEBI Regulations, inter-alia, would be placed before the Board for enabling the Board to consider and approve the Related Party Transaction.

4. Approval of Shareholders

- 4.1 The contracts or agreements with any related party which are not in the ordinary course of business and not at arm's length in respect of transactions specified in Section 188(1) of the Companies Act, 2013 and breaching the prescribed thresholds under the Companies Act, 2013, will require prior approval of the Shareholders by a resolution.
- 4.2 For the purposes of first proviso to sub-section (1) of Section 188 of Act, except with the prior approval of the Company by a resolution, a Company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into:-
 - 4.2.1 as contracts or arrangements with respect to clauses (a) to (e) of sub-section(1) of Section 188 of Act, with criteria as mention below-

- i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of Section 188 of Act.
- ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the Company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of Section 188 of Act.
- iii) leasing of property any kind amounting to ten percent or more of the turnover of the Company, as mentioned in clause (c) of sub-section (1) of Section 188 of Act;
- iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of Section 188 of Act.
- 4.2.2 is for appointment to any office or place of profit in the Company, its subsidiary Company or associate Company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of Section 188 of Act.
- 4.2.3 is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of Section 188 of Act.

- 4.3 All material Related Party Transactions and subsequent material modifications shall require prior Shareholders' approval and no related party shall vote to approve such resolution in terms of applicable laws as on date of such approval.

Provided that the aforesaid prior approval of Shareholders shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the listed entity is not a party, if the provisions of Regulation 23 and Regulation 15(2) of the SEBI LODR Regulations are applicable on the listed subsidiary.

The explanatory statement to be annexed to the notice of General Meeting in this regard shall contain such details as required by the Companies Act, SEBI Regulations, Industry Standard note, inter-alia.

In such a case as mentioned above, any member of the Company who is a related party, shall not vote on resolution passed for approving such Related Party Transaction whether such entity is a Related Party to the particular transaction or not.

This requirement for Shareholders' approval shall not apply in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

5. Disclosure

Each Director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors except remuneration and sitting fees paid by the listed entity or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, shall not require disclosure if same is not material transaction.

6. Reporting

Particulars of RPTs shall be disclosed in such manner as may be prescribed under the applicable laws and/or the Act (including rules made thereunder), from time to time. Except, the remuneration and sitting fees paid by the listed entity or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, shall not require disclosure under Regulation 23(9) provided that the same is not material in terms of Regulation 23(1).

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

7. Review of Policy

The Board shall review the policy at least once in "three years" and at such interval as may be approved by the Board in line with the applicable law.

8. Administrative Measures

Audit Committee/Board shall institute appropriate administrative measures to provide that all Related Party Transactions are not in violation of, and are reviewed in accordance with, these Policies and Procedures.

The Audit Committee / Board as applicable, shall evaluate such transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction.

In connection with such evaluation and review of the Related Party Transaction, the Audit Committee / Board as applicable, shall have the authority to modify or waive any procedural requirements of this Policy.

9. Interpretation

In any circumstance where the terms of these Policies and Procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to confirm to the law, rule, regulation or standard.

10. Dissemination of Information

AFL shall upload this Policy on its website i.e., www.aavas.in. AFL shall also make relevant disclosures in its Annual Report and maintain such registers as required under the provisions of the Companies Act, 2013, Rules made thereunder.

11. Implementation

The policy will be implemented by the management of the Company from the date it is approved by the Board. All Related Party Transaction entered prior to the date of approval of this Policy and Procedures shall be subject to review by the Audit Committee.

12. Exclusion of Policy

This policy shall not be applicable to following Related Party Transactions:

- i) Transactions entered into between the Company and wholly owned subsidiary whose accounts are consolidated with such the Company and placed before the Shareholders at the General Meeting for approval.

However, the approval of Audit Committee would be obtained for the RPT entered into between the Company and wholly owned subsidiary if such transaction is listed u/s 188 of the Companies Act, 2013.

- ii) Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with such Company and placed before the Shareholders at the General Meeting for approval.
- iii) The issue of specified securities on a preferential basis, subject to compliance of the requirements

under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

- iv) The following corporate actions by the Company which are uniformly applicable/offered to all Shareholders in proportion to their shareholding:
 - a. payment of dividend;
 - b. subdivision or consolidation of securities;
 - c. issuance of securities by way of a rights issue or a bonus issue; and
 - d. buy-back of securities.
- v) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

- vi) Transactions entered into between a public sector Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

13. Amendment

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

14. Interpretation

In the event of any conflict between the provisions of this Policy and the Act or SEBI Regulations 2015 or any other statutory enactments/ rules, the provisions of such Act or SEBI Regulations or statutory enactments shall prevail over this Policy.

Annexure-10

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity:	L65922RJ2011PLC034297
2. Name of the Listed Entity:	Aavas Financiers Limited
3. Year of incorporation:	2011
4. Registered office address:	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India
5. Corporate address:	201-202, 2 nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India
6. E-mail:	info@aavas.in
7. Telephone:	0141 - 4659239
8. Website:	www.aavas.in
9. Financial year for which reporting is being done:	FY 2025-26
10. Name of the Stock Exchange(s) where shares are listed:	Equity shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE)
11. Paid-up Capital:	₹79,28,27,430/- as on March 31, 2026
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report:	Mr. Sharad Pathak Designation: Chief Compliance Officer Email: investorrelations@aavas.in
13. Reporting boundary:	The disclosures made in this report are on a standalone basis and pertains to Aavas Financiers Limited only.
14. Name of assessment or assurance provider:	Grant Thornton Bharat LLP
15. Type of assessment or assurance obtained:	Reasonable Assurance

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial Services	Other Financial Activities	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	The Company's primary business is providing home loans for the purchase, construction, renovation and repair of residential properties. It also offers mortgage-backed MSME loans and home equity loans.	64910	100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	N.A.*	442	442**
International	-	-	-

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC HFC) and does not undertake any manufacturing activities.

**The Company operates within India with a total of 435 branches across 13 States and 2 Union Territories (including Delhi and Chandigarh), along with 7 offices, aggregating to a total of 442 locations as on March 31, 2026. The Company does not have any foreign offices, branches, assets, or lending operations outside India.

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States & UTs)	15*
International (No. of Countries)	0

*The total count of 15 represents the aggregate of 13 States and 2 Union Territories.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company operates solely within India; therefore, exports do not contribute to its turnover.

c. A brief on Types of Customers

The Company is committed to providing housing finance solutions to communities that have historically been underserved, unserved, or overlooked by traditional financial institutions. It strategically focuses on addressing the housing needs of low and middle income families, particularly in semi-urban and rural areas. By concentrating on this segment, the Company bridges a vital gap in the housing finance sector and facilitates access to homeownership for individuals who are often overlooked by larger lenders. The average ticket size is ₹10.2 Lakh and the average tenure of the loan is 15.3 years.

Category	% of AUM in FY 2025-26
Salaried Customers	38.5%
Self-employed Customers	61.5%

Category	Income Per Annum	% of AUM in FY 2025-26
Economically Weaker Section	Up to ₹3 Lakh	19.7%
Low Income Group	More than ₹3 Lakh up to ₹6 Lakh	34.6%
Middle Income Group	More than ₹6 Lakh up to ₹18 Lakh	33.9%
High Income Group	More than ₹18 Lakh	11.8%

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	7,649	7,224	94.45%	425	5.55%
2.	Other than Permanent (E)	1,822	1,709	93.80%	113	6.20%
3.	Total Employees (D+E)	9,471	8,933	94.32%	538	5.68%
WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Workers (F+G)	NA	NA	NA	NA	NA

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	3	3	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total Differently Abled Employees (D+E)	3	3	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	Total Differently Abled Workers (F+G)	NA	NA	NA	NA	NA

21. Participation/Inclusion/Representation of Women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	8*	3	37.5%
Key Management Personnel (KMP)	4	0	0%

*Mr. Sachinderpalsingh Jitendrasingh Bhinder, Managing Director & CEO, has been classified in above table, under the Key Managerial Personnel (KMP) category, rather than being included under the Board of Directors (BOD) category.

22. Turnover rate for permanent employees and workers:

Particulars	FY 2025-26			FY 2024-25			FY 2023-24		
	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	51.65%	45.52%	51.32%*	50.87%	41.02%	50.40%	52.62%	34.55%	51.80%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

*The same has been calculated as per the SEBI Guidance Note.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the Holding/ Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate whether Holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Aquilo House Pte. Ltd. (Promoter)	Holding Company	48.88%	No

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 2,684.83 Crore

(iii) Net worth (in ₹): 5,050.85 Crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) *	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remark
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	-	-	-	-	-	-
Employees	Yes	-	-	-	-	-	-
Customers	Yes	614	Nil	-	400	Nil	-
Value Chain Partners	Yes	-	-	-	-	-	-

*The Company's policies regarding conduct with its stakeholders, including the grievance mechanisms are available on its website. The link to grievance redressal mechanisms for investors: <https://www.aavas.in/details-of-debenture-trustee-rta-and-grievance>, for customers: <https://www.aavas.in/resource/grievance-redressal-policy>. The Company has constituted a Stakeholder Relationship Committee for redressal of grievances of its security holders.

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications, as per the following format:

S. No.	Material Issue Identified	Indicate Whether Risk / Opportunity	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
1	Affordable Housing - Lending to lower- and middle-income customers with undocumented income	Opportunity & Risk	Opportunity: Affordable housing continues to remain a key national priority, supported by sustained government initiatives such as PMAY 2.0 and related policy measures aimed at improving affordability and expanding housing supply for EWS, LIG, and MIG segments. Additionally, structural demand drivers such as rapid urbanization, rising income levels, and increasing home ownership aspirations continue to support long-term growth prospects, making the segment a conducive and scalable opportunity. Risk: The Company's focus on serving lower- and middle-income customers, particularly in underserved and unserved geographies, involves dealing with borrowers having partially or fully undocumented income streams, which poses challenges in accurately assessing repayment capacity and creditworthiness.	The Company has established robust customer assessment and credit underwriting practices, including comprehensive credit bureau checks, internal risk scoring models, and probability of default assessments. Conservative Loan-to-Value (LTV) ratios and prudent underwriting standards are maintained to mitigate credit risks and ensure portfolio quality, resulting in delinquency levels remaining below industry benchmarks.	Positive: Sustained demand for affordable housing driven by urbanization, rising disposable incomes, and continued government support is expected to enhance long term business growth and portfolio expansion. Negative: Limited availability of documented income among target customers may impact the accuracy of income assessment, potentially increasing credit risk and operational complexity in underwriting decisions.
2	Economic Conditions & External Risks	Risk	Global geopolitical tensions, including regional conflicts and supply chain disruptions, along with persistent inflationary pressures, may adversely impact the broader economic environment in India. In recent periods, elevated fuel prices and supply-side constraints have increased household expenditure, resulting in moderation of disposable incomes. This may, in turn, affect borrowers' repayment capacity and overall credit behaviors.	The Company mitigates this risk through prudent customer evaluation, maintaining a diversified loan portfolio, adopting conservative underwriting standards, and undertaking regular monitoring of macroeconomic indicators to enable timely portfolio adjustments.	Negative: Elevated credit risk, potential increase in delinquencies or delayed repayments, and higher operating and funding costs arising from economic uncertainty. Positive: Opportunity to deepen market penetration in underserved segments, strengthen customer relationships through responsible lending practices, and benefit from stable demand supported by structural housing shortages and government initiatives in the affordable housing sector, thereby supporting long-term portfolio growth.

S. No.	Material Issue Identified	Indicate Whether Risk / Opportunity	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
3	Financial & Digital Inclusion	Opportunity	The Company views financial and digital inclusion as a key opportunity to expand its reach, enhance customer engagement, and cater to underserved segments, particularly in semi-urban and rural markets, supported by increasing digital adoption across India.	The Company continues to expand its physical presence in semi-urban and rural areas while strengthening its digital capabilities. It is advancing digital transformation through system integrations, promoting paperless processes under its 'Go Green' initiative, enabling e-documentation and digital loan agreements in loan processing, thereby enhancing operational efficiency and customer convenience.	Positive: Enables expansion in underserved affordable housing segments, leading to portfolio growth and increased market share. Digital initiatives, including digital loan agreements, drive cost efficiencies, reduce turnaround time, and enhance customer experience, supporting scalable and sustainable business growth. Negative: Requires continued investment in technology infrastructure, cybersecurity, and customer onboarding/awareness, which may increase upfront costs and pose implementation and adoption risks during the transition phase.
4	Data Privacy & Cyber Risk	Risk	Increasing digital adoption in India has heightened exposure to data breaches, cyber fraud, and misuse of customer information. Additionally, evolving regulatory requirements, including the Digital Personal Data Protection (DPDP) Act, 2023 and RBI guidelines, necessitate robust data protection and cybersecurity frameworks to safeguard customer information, ensure compliance, and mitigate operational and reputational risks.	The Company mitigates this risk by strengthening IT infrastructure, implementing robust data security frameworks, conducting regular vulnerability assessments and monitoring, enhancing employee awareness, and ensuring compliance with applicable data protection regulations.	Negative: Risk of financial loss due to fraud incidents or regulatory penalties, potential operational disruption, increased technology and compliance costs, and reputational damage impacting customer trust and business volumes. Positive: Opportunity to strengthen customer confidence through robust data protection practices, enhance digital adoption, improve operational efficiency through secure technology platforms, and build a resilient and compliant digital ecosystem supporting long-term growth in the affordable housing segment.
5	Climate Change	Risk	Climate change poses heightened risks in the affordable housing segment due to vulnerability of low- and middle-income borrowers and exposure of self-constructed housing to environmental impacts, while also creating opportunities for sustainable housing finance.		

S. No.	Material Issue Identified	Indicate Whether Risk / Opportunity	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
5 (a)	Climate Change – Physical Risks	Risk	Increased frequency of extreme weather events (floods, cyclones, heatwaves) disproportionately affects informal income borrowers and self-built housing, impacting repayment capacity and collateral quality.	- Geographically diversified portfolio - Business Continuity Management Policy (BCMP) - Digitized processes and strengthened underwriting practices	Negative: Potential impact on borrower repayment capacity and asset quality due to climate-related disruptions.
5 (b)	Climate Change – Transition Risks	Risk	Evolving climate regulations and sustainability standards may affect financing eligibility, construction practices, and long-term valuation of affordable housing assets.	- Promotion of green affordable housing “Go Green Initiative” (paperless operations) - Development of green housing ecosystem - Resource optimization and green offices	Negative: Increased compliance costs, potential asset devaluation for non-sustainable housing, and higher operational expenses due to regulatory changes.
5 (c)	Low-Carbon Operations & Green Mobility	Opportunity	Increasing policy focus on low-carbon development and sustainable housing presents opportunity to reduce emissions and strengthen ESG positioning in the affordable housing segment.	- Installation of EV charging facilities - Promotion of low-carbon practices across operations - Alignment with green housing initiatives	Positive: Reduction in emissions, improved ESG positioning, and enhanced brand value.
6	Green Self-Built Housing	Opportunity	The Company promotes financing for eco-friendly self-built green homes, enabling customers to adopt sustainable, cost-efficient, and resource-efficient construction practices. These homes are designed with key features such as reduced energy consumption, lower water usage, natural lighting and cooling, eco-friendly construction practices, and efficient construction timelines without compromising structural strength and durability. Through its “Green Homes Initiative”, the Company aims to bridge the financing gap and develop a scalable ecosystem for green self-built housing in the affordable housing segment.	The Company adopts a multi-dimensional approach under its Green Homes Initiative, including capacity building, community outreach, and stakeholder engagement to strengthen the green housing value chain. It promotes awareness through training sessions, brochures, social media outreach, and educational content, and conducts on-ground programmes such as “Green Samvaad” to encourage adoption of sustainable construction practices among customers, masons, and local stakeholders.	Positive: Supports portfolio growth through increasing demand for eco-friendly affordable housing, while enhancing the Company’s positioning as a sustainability-focused lender. The inherent features of green homes—such as lower energy and water consumption and reduced construction costs—lead to savings in operating expenses for customers, thereby supporting improved repayment capacity and long-term asset quality.

S. No.	Material Issue Identified	Indicate Whether Risk / Opportunity	Rationale for Identifying the Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive & negative implications)
7	Diversity, Equity & Inclusion (DEI)	Opportunity	The Company is well positioned to advance Diversity, Equity & Inclusion (DEI), aligning its workforce diversity with its customer base, particularly in semi-urban and rural markets, thereby supporting inclusive and sustainable growth in a changing workforce landscape.	The Company implements inclusive hiring practices, equitable compensation structures, and fair promotion policies. These are supported by structured mentorship programmes, capability-building initiatives, and awareness efforts to strengthen workforce diversity and foster an inclusive work environment.	An inclusive workforce enhances employee engagement, productivity, and innovation, leading to improved decision-making and stronger business performance. It also supports better customer connect in diverse geographies, aiding growth in the affordable housing segment
8	Community Well-being & Social Impact	Opportunity	Active participation in social welfare initiatives strengthens the Company's reputation and stakeholder trust and fosters deeper engagement with community needs, aspirations, and trust. This is particularly relevant in the affordable housing segment, where customer relationships are closely linked with local communities. The opportunity is further reinforced by increasing emphasis on inclusive growth, financial inclusion, and community development under national priorities in India.	The Company undertakes structured CSR initiatives in partnership with the Aavas Foundation organizations, focusing on community development, livelihood enhancement, education, financial literacy, and overall social well-being. These initiatives are designed to create sustainable community impact and strengthen stakeholder engagement across geographies.	Positive: Enhances stakeholder trust, strengthens brand equity, and supports long-term sustainable growth through improved community relationships and customer connect, particularly in semi-urban and rural markets. It also aids in deeper market penetration and customer loyalty in the affordable housing segment
9	Regulatory Compliance	Risk	The Company operates in a highly regulated financial services environment and is subject to various laws, regulations, and guidelines issued by regulators such as the Reserve Bank of India (RBI), along with other applicable statutory and legal authorities. Continuous regulatory changes, evolving compliance requirements, and enhanced governance expectations increase the complexity of operations. Any non-compliance or delay in adapting to new regulations may result in financial penalties, legal action, and reputational risk, impacting stakeholder confidence and business continuity.	The Company has established a robust compliance and governance framework, including dedicated compliance functions, internal audit mechanisms, and periodic monitoring of regulatory changes. It ensures timely implementation of regulatory requirements through standard operating procedures, regular employee training, and compliance reviews. Strong internal controls, risk management systems, and board-level oversight further support adherence to applicable laws and guidelines.	Negative: Potential financial penalties, legal costs, operational disruptions, and reputational damage arising from non-compliance or regulatory breaches. Positive: Strong compliance and governance practices enhance stakeholder trust, improve operational resilience, support sustainable business growth, and strengthen the Company's credibility with regulators and investors.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Yes, the Board approves all corporate governance policies of the Company.								
c. Web Link of the Policies, if available	The Policies covering these principles are available on the Company's website under codes and policies section. Link of the Codes and Policies - https://www.aavas.in/codes-and-policies .								
2. Whether the entity has translated the policy into procedure? (Yes/No)	Yes, the Company has translated the applicable policies and imbibed the same into procedures and practices across all spheres of activities the Company undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company expects its value chain partners to adhere to the same standards of ethics and values as are observed by the Company. The following policies have a broad scope and apply to value chain partners: - - Code of Conduct - Corporate Social Responsibility (CSR) Policy - Anti-Bribery and Corruption Policy - Environment & Social Policy - Environment Social & Governance (ESG) Policy - Equal Opportunity Policy - Grievance Redressal Policy - Human Rights Policy - IT Outsourcing Policy - Outsourcing Policy - Vigil Mechanism/Whistle Blower Policy - Vishakha Policy								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Apart from the LEED Gold Certification, the Company does not hold any other national or international codes, certifications, or label standards. However, it ensures that its operations adhere to the NGBRC, reinforcing its dedication to ethical and responsible business practices.								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any:

	Target	Timeline
Environment	Carbon Neutrality (Scope 1 & 2 Emissions)	70% by FY 2032-33 and 100% by FY 2049-50
	Scope 3 Emissions (Plastic & Paper Waste)	50% by FY 2027-28
	Carbon Offset	By FY 2029-30
	- Planting 70,000 Trees - Solar Plant 3,500 KWP - Green Housing Offset	
Social	Increase women workforce up to 8%	By FY 2027-28
	Increase women workforce in Head Office & related office up to 25%	By FY 2027-28
	Maintain Fresh Hire up to 20%	Every Year
	Increase the number of Specially Abled Employees to 10	By FY 2027-28

	Target	Timeline
	CSR: -	By FY 2029-30
	- Engage 5,50,000 + people in Education & Holistic Development - Engage 4,50,000+ beneficiary through women empowerment and Gram Siddhi Program	
Governance	BRSR Core Assurance	From FY 2023-24
	Target to achieve a low ESG risk ratings/score.	-
	Climate Impact Reporting and became a member of CDP and attain a rating of A.	By FY 2027-28
	Sustainability Report to be aligned with international reporting frameworks.	-

6. Performance of the entity against specific commitments, goals, targets along-with reasons in case the same are not met:

Category	Particulars	Target / Timeline	Status at the end of FY 2025-26	Status at the end of FY 2024-25
Environment	Carbon Neutrality (Scope 1 & 2 Emissions)	70% by FY 2032-33 and 100% by FY 2049-50	39.40%	47.72%
	Scope 3 Emissions (Plastic & Paper Waste)	50% by FY 2027-28	Paper: 100% recycled (99.45% emission reduction)* Plastic: Partial year data available; so not comparable	44.00% (Including Plastic and Paper Waste)
	Carbon Offset Initiatives			
	• Planting 70,000 Trees	By FY 2029-30	10,000+ trees planted	13,051 trees planted
	• Solar Plant (3,500 KWP)	-	630 KWP installed	620 KWP installed
	• Green Housing Offset	-	718 Certified Self-Built Green Homes	348 Certified Self-Built Green Homes
Social	Increase women workforce up to 8%	By FY 2027-28	5.68%	5.69%
	Increase women workforce in HO & related office up to 25%	By FY 2027-28	26.83%	26.91%
	Maintain Fresh Hire up to 20%	Annual	31.74%	36.70%
	Increase the Specially Abled Employees up to 10	By FY 2027-28	3	2
	CSR Outreach (Education & Holistic Development)	By FY 2029-30	6,20,087 beneficiaries (Direct + Indirect)	3,42,012 beneficiaries (Direct + Indirect)
	Women empowerment & Gram Siddhi Program	-	3,926 beneficiaries (Direct + Indirect)	3,526 beneficiaries (Direct + Indirect)
Governance	BRSR Core Assurance	From FY 2023-24	Reasonable Assurance undertaken	Voluntary Limited Assurance undertaken
	Target to achieve a low ESG risk ratings/score.	By FY 2026-27	Ongoing discussions with rating providers	In discussion stage
	Climate Impact Reporting and became a member of CDP and attain a rating of A.	By FY 2027-28	Participated in CDP	Planned for FY 2025-26
	Sustainability Report to be aligned with international reporting frameworks.	Continued Progress	Aligned with GRI, SASB, and TCFD frameworks	Aligned with SDG and GRI standards

* The Scope 3 Emissions (Plastic & Paper Waste) status for FY 2025-26 has been maintained in line with FY 2024-25. During FY 2025-26, 100% of paper waste generated was diverted to recycling compared to 22.91% in FY 2024-25, resulting in a significant reduction in landfill-related paper waste emissions (99.45%). However, plastic waste recycling was not undertaken during FY 2025-26 due to operational constraints, including the non-availability of on-site storage facilities, and plastic waste data pertains to a partial period only. Accordingly, the overall status percentage has not been revised to avoid potential overstatement of progress.

S. No.	Particulars	FY 2025-26	FY 2024-25
Environment			
1	Scope 1 & Scope 2 Emissions Neutralized	39.40% neutralized	47.72% neutralized
2	Resource Efficiency & Digitization Initiatives	- Continued monitoring and optimization of paper usage, expanded paperless operations and reduced consumption of single use plastic. - Continued digitalization under the 'Go Green Initiative' through online home loan applications via web portals and mobile applications, contributing to significant reduction in paper usage. - Rolled out digital agreements in 362 Branches & 12,187 Total Digital Agreements were executed as on March 31, 2026	- Implemented monitoring & control paper usage, launched paper recycling initiatives and reduced plastic consumption. - Digitalized operations under "Go Green Initiative" to minimize paper work and facilitated online applications for home loans via web portal and mobile applications. - Introduced a pilot phase for E-signing in loan documentation process. - In-house digital application based technical valuation with 100% geo-tagging. - As of March 31, 2025, 11% of branches (i.e., 5 branches) have been enabled for digital agreement signing. The module was made live in February, 2025.
3	Tree Plantation & Solar Installation	- Planted 10,000+ trees - Installed 630 KWP Solar Plant	- Planted 13,051+ trees - Installed 620 KWP Solar Plant
4	Self-Built Green Homes Constructed	718	348
5	Annual GHG Reductions from Green Homes (tCO₂e/ year)	764.81	402.00
6	Annual Water Savings from Green Homes (m³/year)	34,149.66	16,830.00
7	Annual Energy Savings from Green Homes (MWh/ year)	1,080.89	542.00
Social			
1	Women Workforce Representation	5.68% overall women workforce 26.83% women at Head Office and related offices	5.69% overall women workforce 26.91% women at Head Office and related offices
2	Gender Inclusion Initiatives	Expanded Prerna Mentor-Mentee Program & Prerna Webinars, enhanced Wellness Sessions, continued Women Wellness Leave, Improved Workplace Hygiene Measures and continued Women Excellence Awards.	Implemented Prerna Mentor-Mentee Program & Prerna Webinars, Wellness Sessions, Women Wellness Leave, Workplace Hygiene Measures and Women Excellence Awards.
3	Employee Benefits & Support	- Flexible working hours - Continued Webinars on Group, Health, and Accidental Insurance covering its features and benefits. - Continued Maternity and Paternity Leave benefits. - Implemented Creche Reimbursement Policy at Head Office.	- Flexible working hours - Webinars on Group, Health, and Accidental Insurance covering its features and benefits. - Maternity and Paternity Leave benefits. - Implemented Creche Facility at Head Office.

S. No.	Particulars	FY 2025-26	FY 2024-25
4	CSR Outreach - Education & Development Program	6,20,087+ beneficiaries	3,42,012+ beneficiaries
5	CSR Outreach - Women Empowerment & Gram Siddhi Program	3,926+ beneficiaries	3,526+ beneficiaries
Governance			
1	Governance Framework	Strengthened oversight through CSR & ESG Committee and ESG Policy Framework	Established CSR & ESG Committee with defined ESG Policy framework
2	BRSR Reporting	Mandatory Reasonable BRSR Core Assurance in line with SEBI mandate	Voluntarily BRSR Core Assurance (Limited) as per SEBI mandate
3	ESG Ratings (Independently Assigned)	- CFC Finlease Private Limited (82 - Excellent) - CRISIL ESG (64 - Strong) - ESG Risk Assessment & Insights (67 - Strong) - Sustainalytics (23.9 - Medium Risk) - NSE (71 - Aspiring) - S&P Global (35) - SES ESG (77.7 - Medium)	- CRISIL ESG (63 - Strong) - ESG Risk Assessment & Insights (70.62 - Strong) - SES ESG (77.8 - Medium)
4	External Assessments / Improvements	Participated in EcoVadis and CDP Assessments, strengthening ESG roadmap, transparency, and disclosure quality.	Strengthened ESG disclosures to enable data readiness for external benchmarking and global assessments.
5	Awards & Recognition	- Childcare Champion Award at India Childcare Awards 2025. - Indian CSR Awards for Best Environment Safety Initiative 2025. - Economic Times Rajasthan Business Award for CSR Initiative of the Year. - Road Safety Leader Award 2025. - Best CSR Award at NBFC Tomorrow Conclave & DNA Awards 2025. - National Housing Bank Award 2025 for Product Innovation in Affordable Housing. - ICMAI Green Awards 2023-24 in Small Cap Category.	Best Mid-Cap Service Sector Award under ICAI Sustainability Reporting Awards 2023-24.
6	Social Initiatives (Aavas Gurukul Road & Safety Program)	37 workshops conducted 9,500 helmets distributed 23 Traffic Police Assistance Booths installed	18 workshops conducted 8,000 helmets distributed 39 Traffic Police Assistance Booths installed

Governance, leadership and oversight

7. Statement by Director responsible for business responsibility report, highlighting ESG related challenges, targets and achievements.

The Company continues to strengthen its Environmental, Social, and Governance (ESG) agenda through a robust governance framework and a long-term vision for sustainable growth. Focused efforts were undertaken to integrate ESG principles into core business operations while addressing evolving environmental and social priorities within the housing finance sector.

A significant milestone in the Company's sustainability journey has been its continued emphasis on climate-responsive business practices. The Company has supported 718 Self - built green homes, resulting in annual water savings of 34,149.66 m³, annual energy savings of 1,080.89 MWh, reduction of 764.81 tons of CO₂ emissions, and estimated annual cost savings of ₹ 78,69,47,591. The Company is engaged with customers, employees, partners, suppliers, and government authorities through Green Samvaad programmes and outreach initiatives to strengthen the green housing ecosystem. The Company continued to advance climate-responsive business practices through its green building certified Head Office.

During Financial Year 2025-26, the Company further strengthened its energy conservation efforts by introducing an internal Electric Vehicle (EV) charging facility for two-wheelers at the Head Office under its Green Mobility initiative. This step promotes sustainable commuting, reduces dependence on fossil fuel-based transportation, and contributes to lowering Scope 1 and Scope 3 emissions, aligned with the Company's commitment to carbon neutrality.

The Company remains committed to fostering a diverse, equitable, and inclusive workplace. Several employee-focused initiatives were undertaken including the launch of the Creche Policy, the "PRERNA Mentoring 2.0" Programme, PRERNA webinars, and Women Excellence Awards. These initiatives are aimed at supporting women professionals, strengthening leadership capabilities, and building an inclusive and resilient workforce culture.

The Company's ESG efforts and commitment to sustainable business practices has received recognition during the Financial Year. The Company was honoured with the ICMAI Green Awards 2023-24 in Small Cap Category at the Sustainability Summit 2.0. Additionally, the Company received the Product Innovation Award at the NHB Housing & Housing Finance Excellence Awards 2025. These recognitions reflect the Company's continued focus on sustainability-led governance and innovation in affordable housing finance.

The Company follows an integrated ESG approach encompassing climate action, resource efficiency, digital transformation, data security, employee development, inclusivity, and community engagement. Going forward, the Company remains committed to further strengthening governance practices, establishing measurable ESG goals, and driving sustainable and inclusive growth through responsible leadership and continuous innovation.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Mr. Manu Yeshpal Singh
Chief Executive Officer (CEO)

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, Board of Directors of the Company has embodied various Board Committees, which are accountable for and have hold over Key Sustainability & ESG related policies of the Company, as mentioned below:

1. **CSR & ESG Committee:** Acknowledging global trends and the increasing importance of ESG factors, the Company has constituted a Board-level CSR & ESG Committee to provide strategic direction and oversight on ESG-related matters. Further, a Management-level ESG Steering Committee has been established to ensure effective implementation, monitoring, and alignment of ESG initiatives. This Steering Committee provides guidance to the ESG Working Groups and the ESG team, thereby strengthening governance and execution.
2. **Risk Management Committee:** The Company has constituted a Board-level Risk Management Committee to promote a risk-aware culture and establish a robust risk governance framework. The Committee is responsible for identifying, assessing, and mitigating key risks, including those related to ESG factors, covering both internal and external dimensions.

The Managing Director & CEO, along with the senior management team, are responsible for overseeing the Company's ESG performance on an ongoing basis. In addition, the Board of Directors (BOD) reviews the Company's sustainability performance on a quarterly basis, to ensure alignment with strategic objectives and regulatory expectations.

10. Details of Review of NGRBC's by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	All the policies of the Company are approved/ reviewed by the BOD									A	A	A	A	A	A	-	A	A	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances.	The Company adheres to the existing regulations as applicable and there were no non-compliances.									A	A	A	A	A	A	-	A	A	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8
The processes and compliances are reviewed by Internal Auditors, Statutory Auditors, Secretarial Auditors, Regulators, and Credit Rating Agencies, as applicable. To uphold the best practices and address risks, policies are periodically assessed and updated by the Senior Management and the Board.							
An independent assessment of the ESG Reporting of the Company has been provided by Churchgate Partners. Link for the ESG Reporting - https://www.aavas.in/esg-reporting .							
The Company has obtained Reasonable Assurance of its BRSR Core Statement from Grant Thornton Bharat LLP for FY 2025-26, in line with SEBI's revised assurance framework issued via Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/42 dated March 28, 2025.							

12. If answer to question (1) above is No i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C:

PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

During the Financial Year 2025-26, the Company has conducted multiple mandatory training programs with a strong emphasis on ethics, integrity, transparency, and accountability, reinforcing the Company's commitment to responsible business conduct. The training programs are designed to strengthen awareness of compliance requirements and promote a culture of ethical decision making across all levels of the workforce. Each training program records significant employee participation. Further, the sessions have conducted pan-India through virtual learning platforms, enabling seamless and consistent access for employees across functions, and roles.

Prerna:- The Company launched the "PRERNA Mentoring 2.0" Programme to facilitate structured mentor-mentee engagements focused on career development, leadership capability building, confidence enhancement, and professional guidance through continuous interaction with experienced leaders. In addition, dedicated orientation and capacity-building sessions were conducted for mentors and mentees to ensure alignment on programme objectives, expectations, engagement frameworks, and desired outcomes.

The Company also organized a webinar on "Fostering Gender Diversity – Breaking the Bias" to strengthen awareness regarding workplace inclusion and unconscious bias. These initiatives were aimed at promoting preventive healthcare awareness, physical fitness, mental well-being, stress management, and work-life balance among women employees. Recognizing the importance of holistic employee well-being, the Company conducted several wellness-focused training sessions and awareness programmes under the PRERNA initiative such as Women Wellness Workshops conducted at Bengaluru, Delhi, and Jaipur, which is a Women Wellness and Fitness Talk, and Wellness Seminars focused on posture management, stress management, and mental exercises.

Employee Induction Training:- The Company conducts structured induction, functional, behavioral, compliance, process oriented, productivity enhancement programmes and capability-building training programmes for new employees to facilitate smooth onboarding and strengthen role-based competencies across functions. These training initiatives are designed to familiarize employees with the Company's business operations, organizational processes, customer service standards, compliance requirements, financial products, insurance offerings and operational systems, thereby enabling effective integration into the workplace. In Addition, the Company conducts mandatory trainings focused on workplace ethics, data privacy, cybersecurity practices, employee safety, and regulatory compliance to strengthen awareness and promote responsible business conduct.

ESG Training:- The Company has integrated Environmental, Social, and Governance (ESG) training into its overall employee learning and development framework to ensure that employees across functions and levels are equipped with a foundational understanding of responsible business practices and sustainability principles. ESG-related learning modules are incorporated into induction programmes for new employees as well as periodic classroom and physical training sessions conducted throughout the year.

By embedding ESG principles into its organizational learning framework, the Company aims to foster a culture of sustainability, accountability, transparency, and ethical conduct across all levels of the organization. The initiative also supports the Company's broader objective of integrating ESG considerations into day-to-day operations, stakeholder engagement, and overall business strategy.

Green Homes Mandatory Training:- The Company organised training programmes throughout the year to promote awareness and understanding of green housing concepts among its front-line teams across all branches. These training initiatives were delivered through virtual webinars and self-paced learning modules, enabling wider accessibility and continuous learning across locations. The programmes focused on enhancing employee knowledge regarding sustainable housing practices, green home financing, customer benefits, and eligibility criteria, thereby strengthening the Company's ability to promote sustainable housing solutions and support informed customer engagement.

Segment	Total number of trainings and awareness programs held	Topics /principles covered under the training	% of persons in respective category covered by the awareness programs
BOD	25.5 Hours	Programme on IT Roadmap and Regulatory Updates by SEBI/MCA/NHB/RBI, Information Security / Cyber Security Awareness Training, Programme on RBI update on consolidation of Master Directions	100%
KMPs	12 Hours	RBI updates on consolidation of Master Directions, Information Security / Cyber Security Awareness Training, IT Roadmap and Programme on Regulatory Updates by SEBI/MCA/NHB/RBI, Insider Training, POSH Training	100%
Employees other than BOD and KMPs	4,01,287 Hours	Branch Head Training, Credit Manager Training, BSM Training, Managers Orientation, Prarambh Induction, PMAY Training, Productivity Booster Training, Lead Escalation Training, POSH Training, Information Security & Cyber Security Awareness, Insurance Training, Refresher Training, ESG Training, Green Homes Mandatory Training	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-			
Settlement	-				
Compounding Fee	-				
	Non-monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-			

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has implemented an Anti-bribery and Corruption Policy, which demonstrates its commitment to maintain a zero-tolerance approach towards bribery and corruption. This policy aligns with the prevailing regulations and laws on anti-bribery and anti-corruption in India. Its scope covers all individuals within the Company, including directors, senior management, employees, and anyone else who is directly associated with the Company. The objective of this policy is to establish a robust and transparent operational framework that promotes accountability in all aspects of the Company's operations. The Company also communicates and creates awareness among its employees through its internal communication. The policy is available on the Company's website at <https://www.aavas.in/codes-and-policies>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

Conflict management is guided by the Policy on Materiality of Related Party Transactions: <https://www.aavas.in/img/pdf/Policy-on-Materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions.pdf>.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable, as no such instances reported during the Reporting Period.

8. Number of days of accounts payables ((Accounts payable*365)/Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payable	17.62*	1.45

*The increase in number of days of accounts payable during FY 2025-26 is primarily on account of a change in calculation methodology. In the current year, finance costs have been excluded from the computation of cost of goods/services procured, whereas in the previous year (FY 2024-25), finance costs were included as per the audited methodology. Accordingly, the figures are not directly comparable and the current year number appears higher due to this change.

9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	-	-
	b) Number of trading houses where purchases are made from	-	-
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a) Sales to dealers/ distributors as % of total sales	-	-
	b) Number of dealers/distributors to whom sales are made	-	-
	c) Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	-	-

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Share of RPTs in	a) Purchases (Purchases with related parties/ Total Purchases)	0.056%*	0.040%
	b) Sales (Sales to related parties/ Total Sales)	-	-
	c) Loans & Advances (Loans & Advances given to related parties/ Total Loans & Advances)	0.003%**	-
	d) Investments (Investments in related parties/ Total Investments made)	-	-

* Includes purchase of services amounting to ₹12.18 lakh from Perfios Software Solutions Pvt. Ltd., which was a related party of the Company up to June 30, 2025, as disclosed under Note 35 – Related Party Transactions in the audited financial statements. The transaction has been considered for computation of RPT purchases.

** Home Loan has been extended to Mr. Saurabh Sharma, Company Secretary & Compliance Officer of the Company.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

During the Financial Year 2025-26, the Company conducted various programs and has taken multiple awareness initiatives which aimed at strengthening sustainability and responsible practices across its value chain partners. These include:

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes
Regular and round the year	PRERNA Initiative	Under, the PRERNA initiative, the Company launched the “PRERNA Mentoring 2.0” Programme, which enabled structured mentor-mentee engagement to support career development, leadership readiness, and professional growth of women employees through continuous guidance and orientation support. The Company also conducted several wellness-focused training sessions and awareness programmes under the PRERNA initiative. These included Women Wellness Workshops conducted at Bengaluru, Delhi, and Jaipur, which is a Women Wellness and Fitness Talk and wellness seminars focused on posture management, stress management, and mental exercises. The Company also organized a webinar on “Fostering Gender Diversity – Breaking the Bias” to strengthen awareness regarding workplace inclusion and unconscious bias.
One (1)	Green Samvaad at Surendranagar (Gujarat)	To promote green home awareness within the supplier ecosystem and strengthen adoption of sustainable construction practices, the Company organized a Green Samvaad program in Surendranagar, Gujarat. The program engaged more than 200 participants including builders, masons, contractors, architects, and developers, focusing on eco-friendly construction techniques, resource efficiency, and long-term benefits of green housing.
Regular and round the year	Green Home Training for Employees	The Company conducted Mandatory Green Home trainings for frontline and supervisory employees including Relationship Officers, Disbursement Officers, Branch Heads, and other relevant roles. During Financial Year 2025-26, a total of 9,471 employees were covered under this programme. The Company has also developed an in-house team of EDGE experts through intensive engagement with International Finance Corporation (IFC) to foster green home ecosystem development.

Total Number of Awareness Programs Held	Topics/Principles covered under the training	% age of value chain partners covered (by the value of business done with such partners) under the awareness programmes
One (1)	Green Home Awareness through Documentaries	The Company developed and disseminated documentary content showcasing real-life adoption of green homes in locations such as Raipur and Jodhpur. These documentaries highlighted benefits including energy savings, water efficiency, and improved living standards, thereby creating awareness, addressing misconceptions, and encouraging adoption of sustainable housing practices across the ecosystem.
Regular and across the customer base	In-house Green Home Advisory & Assistance Services	The Company is continuously engaged with customers and construction ecosystem stakeholders through digital and in-person channels, providing technical guidance and advisory support for green home construction. This included assistance on design optimization, material selection, and adoption of sustainable practices, thereby strengthening awareness and enabling informed decision-making.

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has a Code of Conduct for the Board of Directors and the Senior Management Personnel which specifies that the members of the Board and Senior Management shall not engage in any transaction or activity that may conflict with the interest of the Company. The Code of Conduct can be accessed on the website- <https://www.aavas.in/img/pdf/code-of-conduct-for-the-board-of-directors-and-the-senior-management-personnel-feb-2026.pdf>

The Company also has a policy on Materiality of Related Party Transactions and on Dealing with Related Party Transaction which addresses the issue of conflict of interest. The Policy on Materiality of related party transactions and on dealing with related party transactions can be accessed on the website- <https://www.aavas.in/img/pdf/Policy-on-Materiality-of-related-party-transactions-and-on-dealing-with-related-party-transactions-feb-2026.pdf>

Principle 2:
Businesses should provide goods and services in a manner that is sustainable and safe
Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R & D	-	-	Green Housing Program: The Company is a pioneer in India's affordable housing finance space by supporting certification of 718 self-built green homes. As per projections, these homes are designed to collectively save: - • 34,149.66 m3 of water per year • 1,080.89 MWh of energy per year • 7,64.81 tons CO2 of GHG emissions per year • ₹ 78,69,47,591 cost saved per year The Company is actively nurturing an entire ecosystem for green affordable housing in India's housing finance space by engaging all key stakeholders from the green housing value chain including customers, employees, suppliers, government bodies, partners etc. through seminars, workshops, webinars, conferences, emailers, documentaries and other awareness and outreach initiatives on the concept, features and benefits of green homes.
Capex	0.70%	0.97*%	In the Financial Year 2025-26, 0.70% of the total revenue of the Company was allocated towards Information Technology (IT) hardware and software. This investment in IT facilitated enhanced digital initiatives, leading to increased efficiencies and a reduction in paper usage across the Company's operations.

*The FY 2024-25 figure has been revised due to reclassification; wherein non-essential office equipment earlier included under IT assets has been excluded.

- 2a. Does the entity have procedures in place for sustainable sourcing? b. If yes, what percentage of inputs were sourced sustainably?

Given the Company's primary focus on providing housing finance, resource consumption is inherently limited. However, the Company actively ensures sustainable operations and moderated resource utilization. Under its ESG Policy, the Company is committed to procuring environmentally friendly inputs and sourcing materials locally, with a particular emphasis on supporting women-led MSMEs. Sourcing decisions are guided by the Environment & Social Policy: <https://www.aavas.in/img/pdf/environment-social-policy.pdf>

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As the nature of business of the Company is housing finance, no hazardous waste is generated by the Company. During the Financial Year 2025-26, approximately 10.97 metric tons of waste was generated across the Head Office and associated offices, out of which 5.45 metric tons of paper waste and 5.52 metric tons of e-waste were recycled through authorized vendors. This reflects a reduction compared to the previous financial year, wherein approximately 12.96 metric tons of waste was generated.

The Company has undertaken significant steps towards digital transformation to minimize its environmental footprint. During Financial Year 2025-26, digital agreements were rolled out across 362 branches, with 12,187 agreements executed as on March 31, 2026. This transition has substantially reduced branch-level paper consumption and physical document storage requirements. Additionally, seamless digital integrations through web platforms, customer applications, referral channels, and chatbots have further strengthened paperless operations.

Further, under its “Go Green Initiative,” the Company actively monitors and regulates printing and photocopy activities to reduce paper consumption. Efforts are also made to segregate waste at source and promote recycling and reuse practices wherever feasible. Through these initiatives, the Company is steadily progressing towards responsible resource management and sustainable operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, given the nature of the Company’s operations, EPR is not applicable to the Company.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of the product/ service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent External Agency (Yes/no)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Nil

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons used, recycled, and safely disposed, as per the following format:

Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Nil

Principle 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators
1. a. Details of measures for well-being of employees.

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care Facilities	
		NO. (B)	% (B/A)	NO. (C)	% (C/A)	NO. (D)	% (D/A)	NO. (E)	% (E/A)	NO. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	7,224	7,031	97.33%	7,224	100%	-	NA	7,031	97.33%	-	-
Female	425	406	95.53%	425	100%	406	95.53%	-	NA	-	-
Total	7,649	7,437	97.23%	7,649	100%	406	100%	7,031	100%	-	-
OTHER THAN PERMANENT EMPLOYEES											
Male	1,709	1,709	100%	1,709	100%	-	NA	1,709	100%	-	-
Female	113	113	100%	113	100%	113	100%	-	NA	-	-
Total	1,822	1,822	100%	1,822	100%	113	100%	1,709	100%	-	-

b. Details of measures for wellbeing of workers.

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		NO. (B)	% (B/A)	NO. (C)	% (C/A)	NO. (D)	% (D/A)	NO. (E)	% (E/A)	NO. (F)	% (F/A)
PERMANENT WORKERS											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
OTHER THAN PERMANENT WORKERS											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including Permanent and other than permanent) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.30%	0.31%

2. Details of retirement benefits for Current FY and previous Financial Year.

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF*	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI**	43%	NA	Y	49%	NA	Y
Others	NA	NA	NA	NA	NA	NA

*All employees except apprentice trainees are covered for PF benefits.

**All employees are eligible for coverage under ESIC whose gross salary is less than or equal to ₹21,000/- per month.

3. Accessibility of Workplaces

Are the premises / offices of the entity accessible to differently abled employees, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, as per its Equal Opportunity Policy, The Head Office of the Company is equipped with easily accessible facilities and infrastructure to enable differently abled employees to effectively discharge their duties. The Company also endeavors to make all events and meetings inclusive, and ensures that specially-abled employees are put to roles where they can work without any barriers and utilize their skills at the optimum level. It can be accessed on the website at <https://www.aavas.in/img/pdf/equal-opportunity-policy.pdf>. Accessibility commitments are also supported by the Human Rights Policy: <https://www.aavas.in/img/pdf/human-rights-policy.pdf>

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is committed to a diverse and inclusive work environment free from all forms of discrimination based on age, gender, caste, race, religion, or disability. This practice is duly preserved in the Company's Equal Opportunity Policy, which can be accessed on the website at <https://www.aavas.in/img/pdf/equal-opportunity-policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	FY 2025-26 (Current Financial Year)	
	Permanent Employees	
	Return to Work Rate	Retention Rate
Male	100%	58.94%
Female	100%	66.67%
Total	100%	59.51%*

*The same has been calculated as per the SEBI Guidance note.

6. Is there a mechanism available to receive and redress grievances for employees? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give the details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	
Permanent Employees	Yes*
Other than Permanent Employees	

*The Company believes in open and receptive channels of communication within its workflow, and encourages employees to freely share their concerns with their departmental heads, HR or members of the senior management. To address the instances of unresolved employee grievances, the Company has put in place a mechanism under its Employee Grievance Redressal Policy which provides all employees with an adequate opportunity to have their grievances resolved effectively and at the earliest possible stage. The policy is available on the intranet portal of the Company where it is accessible to all employees.

The Whistle Blower/Vigil Mechanism provides a confidential and non retaliatory grievance channel for employees: <https://www.aavas.in/img/pdf/Vigil-Mechanism-Policy.pdf>

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee associations; however, it recognizes the right to freedom of association and does not discourage collective bargaining.

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category who are part of association or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category who are part of association or Union (D)	% (D/C)
Total Permanent Employees	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On health and safety measures		On Skill Upgradation		Total (D)	On health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	8,933	8,933	100%	8,933	100%	8,892	8,892	100%	8,892	100%
Female	538	538	100%	538	100%	536	536	100%	536	100%
Total	9,471	9,471	100%	9,471	100%	9,428	9,428	100%	9,428	100%
WORKERS										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Training programs offered under health and safety/wellness and skill upgradation are mandatory. Hence, all employees have been included in such training programs.

9. Details of performance and career development reviews of employees and workers:

Policies for career growth and progress are in place for all employees. All employees undergo an annual performance appraisal process based on their defined Key Responsibility Areas (KRA) and ratings are given on a 5-point scale, based on which their annual increments and bonuses are determined.

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No.(B)	%(B/A)	Total (C)	No. (D)	%(D/C)
EMPLOYEES						
Male	8,933	7,237	81.00%	8,892	6,906	77.66%
Female	538	448	83.27%	536	432	80.59%
Total	9,471	7,685	81.14.%	9,428	7,338	77.83%
WORKERS						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company primarily operates in housing finance and, due to the nature of its business, faces minimal occupational health and safety risks. Nevertheless, the Company remains committed to providing a safe, healthy and supportive working environment for its employees and continues to undertake various health and safety-related training and awareness initiatives in alignment with its Human Rights Policy. During Financial Year 2025 26, the Company implemented the following employee centric occupational health and safety initiatives:

- **Health Check-up Camps:** - The Company organized periodic health check-up camps as part of its preventive healthcare initiatives to promote employee well-being and encourage early detection of health-related risks. These included regular doctor consultations at the Jaipur Head Office and quarterly health check-ups enabling employees to monitor their health status and adopt timely preventive measures.
- **Emergency Preparedness & Awareness Training:** - The Company conducted First Aid and CPR (Cardiopulmonary Resuscitation) training programmes to equip employees with essential life-saving skills required to respond effectively during medical and workplace emergencies. These training sessions were designed to enhance employee preparedness in providing immediate assistance in critical situations, thereby improving response time and potentially saving lives.
- **World Cancer Awareness Session:** - The Company conducted OPD Consultation & Health Screening Camp for employees to promote preventive health care and early detection. It also educated employees the importance of maintaining a healthy lifestyle. Complimentary Screenings tests were also provided such as Mammography, Pap Smear, Ultrasound (USG) and Hemoglobin Tests.
- **Wellness and Fitness Activities:** - To encourage healthier and more active lifestyles, the Company conducted various wellness and fitness initiatives, including Yoga Sessions, Zumba Classes, Fitness Challenges, and other employee wellness programmes. These initiatives aimed at supporting employee's physical fitness, mental well-being, stress management, and overall work-life balance.
- **World No Tobacco Day Awareness:** - The Company conducted an awareness session on the occasion of World No Tobacco Day to sensitize employees regarding the adverse health effects associated with tobacco consumption. The session aimed to enhance awareness on the health risks of tobacco use and encourage employees to adopt healthier lifestyle choices.

The Company continues to encourage employee participation in health and safety initiatives through regular communication, awareness sessions and on ground engagement, thereby fostering a proactive culture of safety and well being.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Given the nature of business, this is not directly applicable, however, under its Human Rights Policy, the Company ensures that all parameters of health and safety are complied with at all its workspaces and takes sufficient measures to avoid any workplace hazards.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Given the nature of business, this is not directly applicable and as such, there are no workers employed by the Company.

- d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees of the Company are covered under the Company's Accidental Policy and, majority of the employees are also covered under its Health Insurance Policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Numbers	Category	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Permanent Employees	0	0
	Workers	NA	NA
Total recordable work-related injuries	Permanent Employees	0	0
	Workers	NA	NA
No. of fatalities	Permanent Employees	0	0
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Permanent Employees	0	0
	Workers	NA	NA

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company undertakes multiple structured initiatives to ensure a safe, healthy, and supportive workplace for its employees and visitors.

- **Infrastructure safety and security measures:** - The Company has equipped all its offices and branches with fire extinguishers, which are periodically inspected and refilled to ensure operational readiness. In addition, CCTV surveillance systems, security personnel, and access control mechanisms have been implemented across locations to maintain a safe and secure working environment for employees and other stakeholders.
- **Preventive Healthcare and Medical Support:** - Under the "We Care" employee well-being initiative, the Company provides employees with quarterly health check-ups, First Aid and CPR training, and regular health awareness drives aimed at promoting preventive healthcare and overall well-being. At the Head Office, the Company facilitates weekly on-site doctor consultations for employees and their family members. Additionally, the Company has established tie-ups with empaneled hospitals to enable employees to access healthcare services at concessional rates.
- **Mental Health, Fitness, and Wellness Initiative:** - Through the "We Care" initiative, the Company conducted various wellness initiatives, including the Aavas Fitfest Challenge, Yoga Day sessions, Zumba workshops, and lifestyle wellness programmes aimed at promoting employees' physical health and overall well-being. The Company also undertakes counselling-oriented workshops and stress management programmes across locations to support employees mental and emotional well-being.
- **Health Awareness Program:** - The Company organized various health awareness initiatives, including programmes on World Cancer Awareness Day, World No Tobacco Day, and preventive health talks to encourage informed health practices and promote employee awareness on preventive healthcare and healthy lifestyle choices.

- **Women focused Health and Wellness Initiative:** - Under the PRERNA initiative, the Company conducted specialized wellness sessions and webinars covering topics such as “Aging is Optional” and “Retirement Planning for Women,” aimed at promoting holistic well-being, financial awareness, and life-stage preparedness among women employees. Further, the Company has implemented a Women’s Wellness Policy that provides an additional monthly paid leave to support women employees experiencing health-related discomfort, thereby reinforcing its commitment to employee welfare and gender-responsive workplace practices.
- **Childcare support:** - The Company implemented a Creche Facility Policy at its Head Office, providing a safe, hygienic, and nurturing environment for employee’s children during working hours. This initiative supports working parents in effectively balancing professional and personal responsibilities, while also contributing to enhanced employee well-being, engagement, and retention within the organization.
- **Community and employee engagement activities:** - The Company organized participation-based initiatives such as Blood Donation Camps, the Aavas Marathon, and Family-inclusive Wellness events, which collectively reinforce a culture of health, safety, and holistic well-being.

Through these structured initiatives, the Company continues to foster a safe, healthy, and inclusive workplace aligned with its employee centric and sustainability commitments.

13. Number of Complaints on the following made by employees:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	100%
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No corrective action plan has been necessitated on the above-mentioned parameters.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees?

Yes, The Company provides adequate safeguard to families of deceased employees through its health/accidental/term insurance policy. Benefits like Provident Fund, Gratuity and ESIC, as applicable, are settled on a priority basis. Additionally, employee stock options granted to deceased employee immediately vest with the nominee upon death and the Company assists the family in exercising such options.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to transactions within the remit of the Company are deducted and deposited in accordance with prevailing regulations. The Company expects its value chain partners to uphold the same business responsibility principles and values of transparency and accountability as are observed by the Company.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	-	-	-	-
Workers	NA	NA	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company helps its employees in their career progression, it intends to put in place system and strategies to understand the capacity of an employee and undertake capacity building efforts by providing training. From time to time, the Company promotes in-house talent and in continuation to this, it opens opportunities for Performer/Right Skill Set/Enthusiastic People. The Company helps employees in their transition from officers to managers, and managers to leaders.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners)
Health and safety practices	The Company expects all its value chain partners to follow existing regulations with regard to health, safety and working conditions. The Environment & Social Policy has a prohibited activities list which lays down certain activities that do not qualify for financing which include child labor, forced labor, etc.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

A Key stakeholder is any individual or group, connected to the Company, who significantly influences and adds value to its organizational operations. This includes customers, employees, shareholders, investors, business partners, suppliers, regulatory bodies, government entities, and community at large. Stakeholder engagement processes are defined under the ESG Policy: <https://www.aavas.in/img/pdf/environment-social-governance-policy.pdf>

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Customers	Yes, some customers may be identified as vulnerable or marginalized group, if they qualify specific criteria with regard to their income, gender, etc.	Physical- Branches, notice boards, pamphlets, personal visits, letters. Digital/Electronic- Mobile app, website, email, SMS, WhatsApp, direct calling, customer care, Chatbot feature on website, surveys and feedback.	Regular and Need basis	Maintain contact with the customer during the loan period, address the customer's potential problems to ensure quality service as well as through customer grievance redressal mechanism.
Employees	No	Direct interactions through email, SMS, HRMS portal, physical and virtual meetings, employee engagement initiatives including trainings, wellness and cultural events, sports and fitness activities, awards and recognition programs, women-focused forums (PRERNA), family-inclusive events, and online surveys.	Regular and need basis	Develop a culture that promotes meritocracy, provides adequate growth opportunity and ensures a diverse, equitable and inclusive workplace. The employees are updated about Company values and business strategies.
Shareholders & Investors	No	Annual General Meeting, Annual Report, Quarterly Reports, Website, Quarterly Earning Calls, Regular investor meetings/ conference calls, Stock Exchange Disclosures, Factsheets Social/ Print Media	Regular and as per regulatory requirement	Update on Company's performance and milestones, adherence to regulatory compliances, in true spirit of transparency & governance.
Business Partners & Suppliers	No	Regular meetings, emails, SMS, phone calls, and Mobile App and website.	Regular and need basis	Ensure effective communication for quality and efficient service.

Stakeholder Group	Whether identified as vulnerable or marginalized group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement, key topics and concerns raised during such engagement
Regulators & Government	No	Email, one-to-one meetings, virtual meetings, conference calls, mandatory filings with regulators, policy updates, circulars, guidelines and directives.	Regular and as per regulatory requirement	Adherence to all relevant laws and responsiveness towards regulatory changes.
Community	Yes	Community meetings, CSR project interactions, social media, print media, project field visits, awareness sessions, capacity-building programs, collaboration with implementing agencies.	Regular and need basis	Aavas Foundation engages with rural communities through the Aavas Adarsh Gram initiative, implementing development projects related to drinking water, sanitation, education infrastructure, hygiene facilities, plantation and community infrastructure. Employees participate in CSR outreach activities, supporting inclusive development and monitoring of project outcomes.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company maintains continuous and structured engagement with its key stakeholders to gather inputs on economic, environmental, and social matters. These engagements enable effective communication of stakeholder expectations and are integrated into the Company's strategic and operational decision-making processes.

To ensure Board-level oversight, the Company has constituted a CSR & ESG Committee, which reviews ESG-related developments, stakeholder feedback, and progress on a periodic basis. Inputs received through stakeholder consultations conducted by management and external experts, including CARE Analytics & Advisory Pvt. Ltd., are consolidated and presented to the Committee on a quarterly basis. These updates are further incorporated into investor presentations and risk management reviews, ensuring comprehensive visibility at the Board level.

In addition, ESG disclosures and key updates are available on the Company's website, while significant developments are communicated to stock exchanges, enabling broader stakeholder access and transparency. The Company also undertakes third-party assessments of its ESG performance to strengthen the credibility and effectiveness of its sustainability practices.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company engages with various stakeholders to ensure sustain and long-term value creation for all of them. The following are certain instances where input from stakeholders have been incorporated to bring positive change-

- With the Green Housing initiative, the Company has taken a decisive step towards responsible housing development by engaging with the entire ecosystem around the green home value chain, including customers, frontline employees, suppliers, technical experts as well as international certifiers through stakeholder engagement initiative such as Green Samvaad, capacity building workshops, social media awareness campaigns etc. In the pioneering initiative, the Company bridges a critical gap between global vision and local reality by conveying ground level challenges and real-world feedback to international visionaries and experts while also addressing local myths around eco-friendly housing among home owners.
- Under, the PRERNA initiative, the Company launched the “PRERNA Mentoring 2.0” Programme, which enabled structured mentor-mentee engagement to support career development, leadership readiness, and professional growth of women employees through continuous guidance and orientation support. The Company also conducted several wellness-focused training sessions and awareness programmes under the PRERNA initiative. These included Women Wellness Workshops conducted at Bengaluru, Delhi, and Jaipur, which is a Women Wellness and Fitness Talk and wellness seminars focused on posture management, stress management, and mental exercises. The Company also organized a webinar on “Fostering Gender Diversity – Breaking the Bias” to strengthen awareness regarding workplace inclusion and unconscious bias.
- The Company’s Sustainability Bond Framework further strengthens stakeholder driven social impact by enabling dedicated financing for affordable housing for EWS/LIG customers, women centric lending, and MSME entrepreneurs. These focus areas were identified as material through ongoing engagement with customers, frontline officers, community representatives, and sector experts. The framework supports the Company’s mission to extend financial inclusion to underserved and vulnerable communities, while aligning with stakeholder expectations and broader social development priorities.

To further enhance opportunities for stakeholder feedback, the Company, under its ESG Policy has established a management-level ESG Steering Committee and a functional Social & Governance Working Group to obtain feedback from relevant internal and external stakeholders on the Company’s ESG practices wherever necessary.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company undertook several targeted CSR interventions during Financial Year 2025-26 to address the needs of vulnerable and marginalized communities across multiple states. The key initiatives include: -

A. Aavas Aarogya (Health Care and Wellness)

S. No.	CSR Activity	Description
1	Aavas Saksham (Distribution of Artificial Limbs)	The Company, in collaboration with the Blind People’s Association, India, provided 200 artificial limbs to 187 Persons with Disabilities (PwDs), enabling them to regain mobility and lead more self-reliant lives. The initiative reached beneficiaries across Gujarat (Gandhidham, Surat), Maharashtra (Pune), Madhya Pradesh (Indore), and Rajasthan (Udaipur and Jaipur).
2	Government PHC Facility Improvement	The Company contributed to strengthening community healthcare infrastructure by upgrading the Government Primary Health Centre (PHC) at Village Dhodsar, Jaipur, Rajasthan, thereby access to primary healthcare services for more than 36,500+ people residing in surrounding rural communities.
3	Providing Mother Child Care Kit	The Company provided 3250 Child Care Kit to Mother & New Born Child in two hospitals of Jaipur, Rajasthan, aimed at promoting the health and well-being of mothers and newborns.
4	Early Childhood Development	The Company collaborated with Mobile Creches for Working Mother’s Children NGO to establish three childcare centers in the urban slums of Kalkaji & Kapashera (Delhi) and Vatva (Ahmedabad). The centers will cater 150 underprivileged children between age of 6 months to 6 years providing them early education, nutrition, immunization and access to mainstream education.
5	Aavas Aahar Program	The Company supported healthcare and community welfare initiatives by providing hot cooked meals to over 2.4 Lakhs+ patients and caregivers outside Hospitals in Jaipur, Rajasthan.

S. No.	CSR Activity	Description
6	Providing Ambulances to Government Hospitals	The Company provided two Eeco ambulances to government hospitals with the objective of strengthening healthcare infrastructure, and supporting emergency medical services for patients in need. One ambulance was handed over to a government hospital in Pune and the other to a government hospital in Gokak.
7	Providing Intensive Care Ventilators	The Company provided two Intensive Care Ventilators for ICU to Bhagwan Mahaveer Cancer Hospital & Research Centre (BMCHRC), Jaipur to improve the Cancer Care facilities & help to provide affordable treatment to the cancer patients.
8	Aavas Aajivika (Livelihood, Skills & Income Generation)	The Company implemented a Comprehensive Skill Development Programme in the BFSI and Housing Finance sector across Indore, Ahmedabad, and Delhi, wherein six batches were successfully completed, by giving training to over 250 candidates. The Company also supported livelihood enhancement initiatives by providing training to 80 women artisans in handicraft development in Village Jahota, Jaipur, Rajasthan.

B. Aavas Gurukul

S. No.	CSR Activity	Particular
1.	Aavas Road Safety	The company organized 37 bootcamps, supported 9500 individuals through helmets, and installed 23 Traffic Police Assistance Booths across Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Uttar Pradesh, Delhi NCR, Karnataka & Tamil Nadu in collaboration with the Rajasthan Sadak Suraksha Society & Triguna, Government departments, and school authorities. Also, The Company conducted eight Road Safety Bootcamps across Rajasthan, Karnataka, and Tamil Nadu, during which 2,500 helmets were distributed to promote road safety awareness and reduce accident risks.
2.	School Revamp Programme	The Company renovated Government school's infrastructure of Ghaziabad (Uttar Pradesh), Bengaluru (Karnataka), Udaipur, Jaipur & Sikar (Rajasthan). The renovation work includes restoration of school old buildings and toilets, paint and beautification, bala paintings, teen shade construction in the school grounds. More than 1560 + students every year will benefit from the program getting quality education.

C. Aavas Green

S. No.	CSR Activity	Particular
1.	Aavas Urja	The Company installed 630 KWP of on-grid solar plant systems across multiple public institutions in Karnataka, Gujarat, Madhya Pradesh, and Rajasthan to promote the adoption of green energy and reduce carbon emissions.
2.	Aavas Van	The Company has collaborated with Foundations and Government departments to develop dense forests using the Miyawaki method. More than 5000 saplings were planted at the Godhavi-Manipur, Ahmedabad and 5000+ saplings planted at RIICO-Bagru, Jaipur. Also, the Company has ensured maintenance and care of 10846+ saplings planted.

D. Aavas Adarsh Gram

S. No.	CSR Activity	Particular
1.	Aavas Adarsh Gram (Transforming Kalakh into a Model Village)	The Company undertook a comprehensive initiative to transform Gram Panchayat Kalakh into a climate-resilient and inclusive model village. In the foundational phase (Year 1) of the project, installation of solar-powered drinking water stations, construction of covered drainage systems, upgradation of Primary Health Centre (PHC) resources and facilities, development of smart classrooms, and solar electrification of key public institutions such as schools, anganwadis, and PHCs was completed. These initiatives have directly benefited over 3,598+ individuals across 471 households in Gram Panchayat Kalakh.

Principle 5:

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

The Company is committed to upholding human rights and fostering a fair, inclusive, and discrimination-free workplace, as reflected in its Board approved policies, including the Code of Conduct, Human Rights Policy, and Equal Opportunity Policy, along with other best practices designed to ensure dignity, fair treatment, and equal opportunities for all employees. These policies are regularly reinforced through structured training programmes and internal communication initiatives to enhance employee awareness and adherence.

During the Financial Year 2025-26, the Company further strengthened its commitment to maintaining a safe, dignified, and harassment-free workplace by conducting 299 Prevention of Sexual Harassment (POSH) training sessions, covering 6,409 employees. In addition, mandatory training was provided to members of the Internal Complaints Committee (ICC) to ensure effective handling of related matters. POSH training is also integrated into the employee induction programme to promote early awareness and encourage a respectful workplace culture from the outset of employment.

The Company, through Aavas Gurukul, conducted a Prevention of Sexual Harassment (POSH) webinar attended by over 1,219 employees. The training programme formed an integral part of the Company's commitment to fostering a safe, respectful, and inclusive workplace environment for all employees.

These initiatives collectively reinforce the Company's unwavering commitment to human rights, workplace dignity, gender equity, and the creation of a safe, inclusive, and respectful work environment for all employees.

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees /workers trained (B)	% (B/A)	Total (C)	No. of employees/ workers trained (D)	% (D/C)
Employees						
Permanent	7,649	7,649	100%	7,233	7,233	100%
Other than Permanent	1,822	1,822	100%	2,195	2,195	100%
Total Employees	9,471	9,471	100%	9,428	9,428	100%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
		Employees								
Permanent	7,649	347	4.54%	7,302	95.46%	7,233	407	5.63%	6,826	94.37%
Male	7,224	316	4.37%	6,908	95.63%	6,823	381	5.58%	6,442	94.42%
Female	425	31	7.29%	394	92.71%	410	26	6.34%	384	93.66%
Other than permanent	1,822	0	0.00%	1,822	100%	2,195	143	6.51%	2,052	93.49%

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
Male	1,709	0	0.00%	1,709	100%	2,069	140	6.77%	1,929	93.23%
Female	113	0	0.00%	113	100%	126	3	2.38%	123	97.62%
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages

a. Median remuneration:

The remuneration paid to the Directors is in line with the Remuneration Policy of the Company which is available on its website at <https://www.aavas.in/img/pdf/policy-on-nominations-remuneration.pdf>.

	Male		Female	
	Number	Median remuneration of respective category	Number	Median remuneration of respective category
BOD*	5	30,00,000	3	30,00,000
KMPs	4	2,65,29,469	-	-
Employees other than BOD and KMP**	3766	5,27,380.50	256	5,13,280.5

*Mr. Sachinderpalsingh Jitendrasingh Bhinder, Managing Director & CEO, has been classified in above table, under the Key Managerial Personnel (KMP) category, rather than being included under the Board of Directors (BOD) category.

** Employee count and median remuneration have been calculated considering only those employees who were part of the Company at both the beginning and end of FY 2025-26. Employees who joined and/or separated during the year have been excluded from this calculation.

Note: - The Employees considered for this table are permanent employees of the Company.

b. Gross wages paid to females as % of total wages paid by the entity:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross Wages paid to females as % of total wages	5.77%	5.61%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Chief People Officer (CPO) oversees the related function and is responsible for addressing the same. The Company has also put in place a comprehensive ESG Policy which addresses human rights issues and impacts, particularly equality of opportunity, employee health & wellbeing, diversity & inclusion, positive work environment etc. Link of the Whistleblower Policy: <https://www.aavas.in/img/pdf/Vigil-Mechanism-Policy.pdf>.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has in place grievance redressal mechanisms for its respective stakeholders such as customers, employees, shareholders, and others. All the grievance redressal mechanisms are available on the Company's website <https://www.aavas.in/>.

6. Number of Complaints on the following made by employees:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	1	-	Action Taken
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/ Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees/ workers	0%	0.20%
Complaints on POSH upheld	0	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has in place a Human Rights Policy, Equal Opportunity Policy, Vigil Mechanism/Whistle Blower Policy, and Vishakha Policy which provides a mechanism to prevent discrimination and harassment at workplace. As per the said policies, all the disclosures made shall be treated as sensitive, confidential and non-retaliatory. Link of the codes and policies: - <https://www.aavas.in/codes-and-policies>.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, in certain business agreements and contracts where relevant.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	-
Wages	
Others-please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

The Company is diligent in implementing its human rights policies and sensitizing its workforce on the importance of human rights in the workplace. Hence, no corrective actions have been necessitated.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/ complaints.

The Company is of the belief that it has upheld basic principles of human rights in all its dealings in alignment with its Human Rights Policy. Hence, no significant change has been necessitated with respect to the business process.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has adopted a culture where its employees and directors feel free to raise any concerns about wrongful conduct, with the help of its Whistle Blower Policy. The said policy provides a Vigilance Mechanism to channelize reporting of instances of wrongful conduct. The Audit Committee oversees the Vigil Mechanism. Employees have been facilitated direct access to the Chairperson of the Audit Committee, if necessary.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Head Office of the Company has ramp for easy movement of differently abled visitors. Most of the branches are on ground floors or have elevators and infrastructure for differently abled visitors. The Company also maintains application forms in Braille to cater to the special needs of visually impaired customers.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child Labour	The Company has not conducted any such assessment of value chain partners. The Company through its ESG Policy outlines and always requires that suppliers comply with all applicable laws, regulations and standards within the geographies in which they operate as part of the Supply Chain initiative.
Forced/involuntary labour	
Sexual Harassment	
Discrimination at Workplace	
Wages	
Others-please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

Principle 6:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption and energy intensity, in the following format:

The Company is service oriented and in the business of providing housing finance, therefore, there is no direct significant consumption and energy intensity. However, as a proactive and responsible corporate, the Company tracked energy consumption and other indicators during the year under review. Link of the Environment & Social Policy: <https://www.aavas.in/img/pdf/environment-social-policy.pdf>.

Parameter	Unit of Measurement	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From Renewable Sources			
Total electricity consumption (A)	-	-	-
Total fuel consumption (B)	-	-	-
Energy Consumption through other sources (C)	-	-	-
Total energy consumed from renewable sources (A+B+C)	-	-	-
From Non-renewable Sources			
Total electricity consumption (D)	Giga Joule	15,753.38	13,598.79
Total fuel consumption* (E)	Giga Joule	98.90	142.89
Energy Consumption through other sources (F)	-	-	-
Total energy consumed from non-renewable sources (D+E+F)	Giga Joule	15,852.28	13,741.68
Total energy consumed (A+B+C+D+E+F)	Giga Joule	15,852.28	13,741.68
Energy Intensity per rupee of turnover (Total energy consumed/Revenue from Operations)	Giga Joule per ₹	0.00000059	0.00000058
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed/Revenue from operations adjusted for PPP)	Giga Joule per USD	0.000012	0.000012
Energy intensity in terms of physical output	-	NA	NA
Energy Intensity (optional) (Total energy consumed/full time employees)	Giga Joule per employee	1.89	1.46

* The Company uses Diesel Generators in its Head Office only, which is included under fuel consumption.

** The Purchasing Power Parity (PPP) conversion rate of 20.34 has been adopted based on the latest data published by the International Monetary Fund (IMF) on its website. <https://www.imf.org/external/datamapper/PPPEX@WEO/IND>.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd and the same has been assured by assurance provider.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

The Company's usage of water is restricted to human consumption purposes only. Further, efforts have been made to ensure that water is consumed judiciously. In the Head Office and its related offices, sensor taps are used in washrooms to economize water consumption. Water usage is monitored under the Environment & Social Link of the Policy- <https://www.aavas.in/img/pdf/environment-social-policy.pdf>

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water Withdrawn from source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	1,29,709*	1,19,033.79
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)	1,29,709	1,19,033.79
Total volume of water consumption (in kiloliters)	1,29,709	1,19,033.79
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000483 kiloliters per ₹	0.00000506 kiloliters per ₹
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000983 Kiloliters per USD	0.000104 Kiloliters per USD
Water intensity in terms of physical Output	NA	NA
Water intensity (optional) (Total water consumption / Full time employee)	13.69	12.63

*For Head Office, water consumption (7,304 kiloliters) is based on actual metered data. For other locations (branches), where direct measurement is unavailable, water consumption has been estimated using CGWA guideline of 45 litres per employee per working day.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The same has been assured by assurance provider.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

*The Company operates from leased premises and does not directly monitor Wastewater discharge.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions	tCO ₂ e	45.84	33.02
Total Scope 2 emissions	tCO ₂ e	3106.92	2,746.20
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations) *	tCO ₂ e / ₹	0.00000012	0.00000012
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO ₂ e/ USD	0.00000024	0.00000024

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	NA	NA
Total Scope 1 and Scope 2 emission intensity (Total Scope 1 and Scope 2 emissions/Full time employees)	tCO ₂ e/FTE	0.41	0.29

* Turnover for FY 2025-26 has been considered as Revenue from Operations amounting to ₹ 2,68,345.64 lakh, as disclosed in the audited financial results. Other income has been excluded in line with BRSR guidance, which requires intensity metrics to be computed using operational revenue

**The Purchasing Power Parity (PPP) conversion rate of 20.34 has been adopted based on the latest data published by the International Monetary Fund (IMF) on its website. <https://www.imf.org/external/datamapper/PPPEX@WEO/IND>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment of GHG Emissions was carried out by independent consultant firm, Care Analytics and Advisory Pvt. Ltd and the same has been assured by assurance provider.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

During Financial Year 2025-26, the Company introduced an internal EV charging station for two-wheelers at its Head Office under the Green Mobility and Go Green initiatives. Employees were encouraged to utilize the EV charging facility to support sustainable commuting and reduce fuel-based transportation emissions, thereby promoting low-carbon mobility practices and strengthening employee participation in sustainability initiatives.

The Company's Head Office continues to maintain its LEED Gold Certification obtained in May 2022, reflecting its commitment to sustainable infrastructure and resource-efficient operations.

Through its CSR initiatives, the Company continues to advance its commitment to an eco-friendly and sustainable future by undertaking projects focused on environmental stewardship. These include tree plantation drives such as the 'Each One Plant One' initiative, the development of dense urban forests under the 'Aavas Van' initiative using the Miyawaki method in collaboration with Catch Foundation and government departments, investments in clean energy, and the Green Housing Initiative. During the year, over 5,000 saplings were planted at Godhavi-Manipur, Ahmedabad, and another 5,000+ saplings at RIICO Bagru, Jaipur. In addition, the Company ensured continued maintenance of over 10,846 saplings planted during the previous Financial Year in Bijnor, Lucknow, and the BSF campus in Indore. These initiatives contributed towards ecological restoration, carbon sequestration, biodiversity enhancement, and alignment with the Company's ESG Policy.

Savings from	Carbon Reduction (tCo2e)*
630 KWP Solar Plants	919.70
10,000+ Tree Plantation	322.53
Total Savings	1,242.23

*For FY 2025-26, Carbon reduction figures are estimated based on proportional scaling of FY 2024-25 emission reduction factors and indicative sequestration assumptions. Actual values may vary based on operational performance, grid emission factors, and tree survival rates.

9. Provide details related to waste management by the entity:

As the nature of business of the Company is providing housing finance, the key waste products are plastic, paper and e-waste.

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.269*	3.954
E-waste (B)	5.52	2.95
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Battery waste (E)	-	-
Radioactive Waste (F)	-	-
Other hazardous waste. Please specify if any. (G)	-	-
Other non-hazardous waste - Paper Waste**(H)	5.45	6.05
Total (A+B+C+D+E+F+G+H)	11.24	12.960
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations) MT/₹	0.00000000041	0.00000000055
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity)	0.00000000086	0.0000000114
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) - (Total waste generated /Full Time Employees) MT/FTE	0.00118	0.00137
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of Waste		
(i) Recycled	10.97	4.34
(ii) Re-used	-	-
(iii) Other Recovery Operations	-	-
Total	10.97	4.34
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	0.269	8.62
Total	0.269	8.62

* Plastic waste generated during FY 2025 26 was of immaterial volume and pertains to a six month period only. Due to operational constraints, including the absence of storage facilities, plastic waste recycling could not be undertaken during the year.

** Computed with respect to the Head Office only.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The same has been assured by assurance provider

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As the Company's business involves providing housing finance, no hazardous waste is generated from its operations. The Company ensures the responsible disposal of electronic waste in compliance with the applicable E-Waste (Management and Handling) Rules. During the Financial Year 2025-26, a total of 5,523 kg (5.523 MT) of e-waste was recycled through authorized recyclers including 1,868 kg and 3,655 kg respectively. The Company continues to ensure that all e-waste generated is channeled exclusively through certified recyclers, thereby adhering to environmentally sound and regulatory-compliant disposal practices.

The Company has launched the 'Go Green Initiative' to reduce paper consumption and thereby minimize paper waste. The Company actively monitors and regulates printing and photocopying activities to promote responsible usage of resources. Further, the Company endeavors to adopt effective waste segregation practices and ensures recycling and reuse of waste wherever feasible.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

All the offices as well as branches of the Company are in premises which have the requisite building permits, including environmental approvals.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and the corrective actions taken if any.
-			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Based on the nature of business, the Company is in compliance with applicable environmental norms.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
-				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area- Not Applicable
- Nature of operations- Not Applicable
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total volume of water consumption (in kiloliters)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional)-the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment-please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment-please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment-please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment-please specify level of treatment	-	-
Total water discharged (in kiloliters)	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Yes/No) If yes, name of the external agency.

No.

2. Please provide details of total Scope 3 emissions & its intensity in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions	tCO ₂ e	12487.98	13,654.54**
Total Scope 3 emissions per rupee of turnover	tCO ₂ e/₹	0.000000529	0.00000058
Total Scope 3 emission intensity (optional) – (Total Scope 3 Emission /Full Time Employees)	tCO ₂ e/FTE	1.50	1.45***

*Please note that in FY 2025-26, the Company reported emissions across five categories in Scope 3 (Categories 1, 2, 5, 6, and 7), compared to three categories (Categories 5, 6, and 7) reported in FY 2024-25. Despite the broader reporting boundary, total Scope 3 emissions decreased by 8.54%. This reduction is attributable to improved and more reliable raw data collection methodology e.g., moving from survey-based results to actual data.

**The FY 2024-25 figure have been restated following an update to emissions from employee commuting. Scope 3 emissions under the Employee Commute category for FY 2024-25 have been revised to 10,315.28 tCO₂e from 11,090.90 tCO₂e, in line with an improved data collection and calculation methodology.

***FY 2024-25 emission intensity is higher than FY 2025-26 primarily due to higher total Scope 3 emissions in FY 2024-25 along with a marginally lower employee base compared to FY 2025-26.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No) If yes, name of the external agency.

No.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details

of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

As the Company is providing financial services, it does not cause any significant, direct impact on biodiversity. The Company's offices and branches are not operated in and around the ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	GATI	Aavas is committed to continuous improvement and has embarked on a digital-first initiative called Project 'GATI'. The project involves building a single platform to streamline the entire loan origination and customer service journey, providing customers with a more seamless experience.	The new system has significantly reduced manual data entry, paper work and project assessment time, thereby ensuring a seamless customer experience.
2	LED Lighting & Robust IT Systems	The Company has adopted various energy-efficient practices, including the use of LED lighting and insulation measures to reduce air conditioning consumption. It also prioritizes the procurement of energy-efficient equipment with higher star ratings, leverages power supervision technologies, and has implemented cloud-based solutions and virtualized information centers to optimize energy usage and improve operational efficiency.	Reduces energy consumption, decreases air conditioning demand, lowers costs, enhances operational efficiency, and promotes sustainability.
3	Integrated Technology Transformation (LOS, LMS, ERP & CRM)	The Company has implemented advanced digital platforms including Loan Origination System (Salesforce), Loan Management System (Oracle Flexcube), and ERP (Oracle Fusion), along with CRM integration-consolidating processes into a single platform with real-time data connectivity.	Reduced process duplication, minimized manual intervention, improved operational efficiency, and enabled lower resource consumption through digitized workflows and automation.
4	AI enabled Customer & Collections Systems	The Company has deployed an AI-powered collections Voice BOT along with seamless digital integrations across its web portal, mobile application, and chatbots to enhance customer interaction and service delivery, thereby improving operational efficiency and customer experience.	Reduced physical follow-ups, optimized operational costs, improved efficiency, and minimized environmental impact through digital engagement channels.
5	Green Building Certification	The Company has actively integrated green and sustainable solutions into its operations. The Company achieved a significant milestone by securing LEED Gold certification for the Head Office, making it the first existing commercial building in Jaipur to receive the prestigious recognition.	The initiative has significantly improved energy efficiency, reduced water consumption, and elevated indoor air quality, ensuring a more sustainable and healthier environment.
6	Go Green Initiative	The Company has digitized its loan processes by enabling online home loan applications through its web portal and mobile application, thereby reducing reliance on physical documentation and enhancing operational efficiency and customer convenience.	Reduced paper consumption, improved operational efficiency, and optimized document storage.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Green Mobility - Employee EV Charging Initiative	During Financial Year 2025-26, the Company established an internal Electric Vehicle (EV) charging station for two-wheelers at the Head Office under its Green Mobility programme to promote sustainable commuting.	Increased EV adoption among employees, reduced fuel-based travel emissions, and supported Scope 1 and Scope 3 emission reduction goals.
8	Digital Agreements & Paperless Branch Operations	The Company has rolled out digital agreements across 362 branches, with over 12,000 agreements executed digitally, thereby significantly reducing dependence on physical documentation and improving process efficiency.	Significant reduction in paper usage, faster execution of agreements, improved efficiency, and reduced environmental footprint.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a Board approved BCMP which focuses on safety and protection of people, minimizing damages and liabilities, timely recovery of critical business processes at all the offices to provide continuous service to its customers.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Given the nature of the Company's business, there has been no significant adverse impact on environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company as per its ESG Policy expects its supply chain partners to demonstrate commitment on sustainability and align on environmental aspects. The Company has not assessed its value chain partners for environmental impacts.

8. How many Green Credits have been generated or procured:

- By the listed entity: Nil, while no green credits have been procured, the Company is exploring renewable energy options to strengthen its sustainability efforts.
- By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Nil

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent environment

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
The Company is a member of 4 trade/industry chamber/associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
3	PHD Chamber of Commerce and Industry (PHDCCI)	National
4	Finance Industry Development Council (FIDC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA

Name of authority	Brief of the case	Corrective action taken
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly / Others –please specify)	Web Link, if available

Principle 8:

Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The Company's operations do not involve any projects which require need for any Social Impact Assessments. However, from a CSR standpoint, to ensure adherence to program objectives and maximization of social impact, the Company works closely with its implementing partners on CSR program design, the implementation model, and the governance and reporting of impact during the course of the program.					

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

- Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms in place to receive and redress grievances of its various stakeholders. The Company also has in a place a whistleblower mechanism to capture any grievance or complaint of any internal or external stakeholder which includes vendors, communities etc. Details of such mechanisms and policies are given in Section A: General Disclosure of this report. CSR grievance handling aligns with the CSR Policy: <https://www.aavas.in/img/pdf/corporate-social-responsibility-policy-feb-2026.pdf>

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	25.29%	17.51%
Sourced directly from within India	97.07%	96.31%

*The above figures are based on financial data prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP), i.e., prior to adjustments required under Ind AS. For the purpose of this disclosure, "purchases" include relevant other indirect expenses and capital expenditure (capex) additions considered as part of total inputs.

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2025-26* (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	0.64%	0.54%
Semi-Urban	15.30%	16.06%
Urban	25.55%	23.91%
Metropolitan	58.52%	59.49%

*Locations are categorized as per the RBI Population-based Classification System (Rural / Semi-Urban / Urban / Metropolitan), aligned with Census 2011 definitions. The classification methodology remains unchanged across FY 2025-26.

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	NA

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (₹)
		NA	

- Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
 - From which marginalized /vulnerable groups do you procure?
 - What percentage of total procurement (by value) does it constitute?

Although the Company does not have a standalone procurement policy, its procurement practices are governed under the ESG Policy. The Company endeavors, wherever feasible, to procure inputs that are recycled or reusable, environment-friendly, energy-efficient, and locally sourced from small vendors and MSMEs, including women-led enterprises.

The Company expects its value chain partners to adhere to the same laws, regulations, and human rights standards as are observed by the Company, including laws pertaining to safety & wellness at workplace, prohibition of forced labour, human trafficking, environment protection, etc.

- Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				-

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the Case	Corrective action taken
		-

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Livelihood & Women Empowerment	1,650	100% (The primary object of CSR programs of the Company is to support and upgrade lives of marginalized and vulnerable communities such as rural women, disabled women, rural youth, construction workers, children etc. The Company strive to improve the socio-economic condition of these communities.)
	- Gram Siddhi - Skill Development of Youth (Aavas Udaan - Comprehensive skill development programme in BFSI)		
2	Health Care & Wellness	3,04,185	
	- Daily food distribution at hospital - Distribution of mother & childcare kits - Artificial limb distribution - Childcare centers - Ambulance to Government hospitals - Renovation of Primary Health Centres - ICU ventilator support to hospitals		
3	Education and Holistic Development	2,78,075	
	- Road Safety Awareness to youths and women - Helmet distribution - Traffic Police Booths - Government school infrastructure improvement - Olympiad and student outreach programme - Student Scholarship - Education & Sports Support		
4	Environment Sustainability	10,598	
	- Solar Plant (630 kWp) - Tree Plantation (10,000+)		
5	Rural & Community Development (Women Empowerment)	3,598	
	Aavas Adarsh Gram-Transforming Kalakh into a model village		
Total Lives Touched		5,98,106	

Principle 9:
Businesses should engage with and provide value to their customers in a responsible manner
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a structured grievance redressal mechanism to effectively receive and address customer complaints, with the framework embedded in loan agreements to ensure customer awareness. Complaints can be lodged at branch locations or through multiple communication channels and are recorded in the Company's CRM system for tracking and resolution.

A defined three-step escalation mechanism is in place, wherein unresolved complaints beyond 15 days may be escalated to the Nodal Officer, and further to the National Housing Bank (NHB) through designated government portals if not resolved within 30 days. The detailed Grievance Redressal Policy is available on the Company's official website: <https://www.aavas.in/resource/grievance-redressal-policy>

The Company leverages digital tools such as Salesforce Customer Relationship Management (CRM), mobile applications, IVR, chatbots, and online portals to efficiently record, monitor, and resolve customer grievances. Periodic reports on complaints, including resolution timelines (TAT), are placed before the Audit Committee for review. As a customer-centric organization, the Company remains committed to ensuring high service standards and customer satisfaction. During the Financial Year 2025-26, no penalties, regulatory actions, or adverse observations were reported in relation to the delivery of essential services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:
As a percentage of total turnover

Environmental & Social parameters relevant to the product	All loan products are supported by transparent disclosures through Key Fact Statements (KFS) and Most Important Terms & Conditions (MITC). These documents provide comprehensive product information and are made available in eight languages, including English, Hindi, and six regional languages, on the Company's website to ensure accessibility and informed customer decision-making.	100%
Safe and responsible usage	The Company ensures that product terms, conditions, and associated risk disclosures are clearly and transparently communicated to facilitate informed and responsible usage by customers.	100%
Recycling and/or safe disposal	During Financial Year 2025-26, the Company disposed of approximately 5.523 metric tons of e-waste through authorized recyclers in compliance with the E-Waste (Management) Rules, 2022. Disposal practices are supported by valid recycling certificates, ensuring environmentally sound handling, dismantling, and recycling of IT and electronic assets. The Company continues to follow responsible e-waste management practices aligned with regulatory requirements and its sustainability commitments.	NA

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	(Current Financial Year)			(Previous Financial Year)		
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	-	-	-	-	-	
Advertising	-	-	-	-	-	
Cyber-security	-	-	-	-	-	

	FY 2025-26		Remarks	FY 2024-25		Remarks
	(Current Financial Year)			(Previous Financial Year)		
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Delivery of Essential Services	-	-	-	-	-	
Restrictive Trade Practices	-	-	-	-	-	
Unfair Trade Practices	-	-	-	-	-	
Other	-	-	-	-	-	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls		No voluntary or forced recalls were reported during the financial year.
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, The Company follows a zero-tolerance approach towards mishandling of sensitive personal data, including Aadhaar information, in compliance with UIDAI, RBI, and applicable data protection regulations. Details of the Company's governance framework and policies are available on its official website <https://www.aavas.in>.

To strengthen cybersecurity, the Company undertakes regular system upgrades and security patch deployments across offices, branches, and remote locations, along with enterprise email security controls such as spam filtering and quarantine mechanisms. Key safeguards include mandatory Aadhaar masking, need-to-know-based access controls, restrictions on unsecured storage or communication of sensitive data, and oversight by the IT Strategy Committee. Additionally, periodic external audits are conducted, with findings placed before the Audit Committee for review. The policy can be accessed on the website- <https://www.aavas.in/privacy-policy>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company follows robust processes to ensure compliance and responsible practices across advertising, delivery of essential services, cyber security, and customer data privacy. Customer-facing initiatives, including referral programs such as the "Aavas Ambassadors" initiative, are designed with transparent reward structures in line with fair marketing practices. During the Financial Year 2025-26, no instances of non-compliance, product recalls, or disruptions in essential services have been reported. Further, no penalties, regulatory actions, or adverse observations have been recorded.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches- Nil
- Percentage of data breaches involving personally identifiable information of customers- Nil
- Impact, if any, of the data breaches - Nil

The Company's Aadhaar masking protocols, access control mechanisms, restricted storage practices, and secure system usage have effectively mitigated the risk of data breaches.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Detailed information on all financial products and services offered by the Company is available on its official website <https://www.aavas.in/product> as well as on its loan application platform. The Company also leverages multiple marketing platforms, including various social media channels, to disseminate information and enhance awareness of its products and services among customers and stakeholders.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company informs and educates customers through its Fair Practices Code, Key Fact Statements (KFS), Most Important Terms and Conditions (MITCs), Schedule of Charges, and digital communications such as SMS and website disclosures. To further promote awareness, the Grievance Redressal Policy, along with these key documents, is made available at branch locations and on the Company's website, including in regional languages to facilitate better customer understanding. These measures are aimed at informing and educating consumers on the safe and responsible usage of the Company's products and services, thereby strengthening customer trust and enhancing service quality.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

In the event of any disruption or discontinuation of essential services, the Business Continuity Management Plan (BCMP) is activated. As part of this process, the Company reaches out to customers through both physical and digital modes to ensure continuity of communication and service delivery. Physical modes include in-person interactions at branch locations, field visits by relationship officers, and distribution of printed notices or communications to customers, wherever required. Digital modes include communication through SMS, WhatsApp, emails, mobile applications, and updates on the Company's official website <https://www.aavas.in>. These measures ensure timely dissemination of information, minimize customer inconvenience, and maintain uninterrupted access to essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company provides product related information and regulatory requirements through various customer focused disclosures, including the Key Fact Statement (KFS), Most Important Terms and Conditions (MITC), and detailed loan agreements. These documents are designed to ensure transparency by clearly outlining product features, pricing, charges, and customer obligations. Additionally, details on processing fees, applicable charges, and repayment mechanisms are made available at branch locations, on the Company's official website <https://www.aavas.in/product>, and through its digital platforms, including the customer mobile application, thereby enabling informed decision-making and ease of access for customers. The Company follows a customer-centric approach and is committed to maintaining transparency across all customer interactions. No, the Company does not carry out customer satisfaction survey as it continuously captures customer feedback through ongoing engagement and service interactions, which are used to drive continuous improvement in service quality and customer experience.

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON IDENTIFIED SUSTAINABILITY INFORMATION INCLUDED IN AAVAS FINANCIERS LIMITED'S BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

To
The Board of Directors
Aavas Financiers Limited
Jaipur, Rajasthan, India

- We have been engaged to perform a reasonable assurance engagement for Aavas Financiers Limited (the 'Company'), vide our engagement letter dated 11 March 2026 in respect of non-financial information pertaining to core attributes of Business Responsibility and Sustainability Report (BRSR) listed below (the "Identified Sustainability Information") prepared by the Company's management in accordance with the Criteria stated below. This Identified Sustainability Information is included in the BRSR section in the Annual Report of the Company for the financial year ended 31 March 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and engineers.

IDENTIFIED SUSTAINABILITY INFORMATION

- The Identified Sustainability Information for the financial year ended 31 March 2026 is summarised below:

Attribute	Principle	Key Performance Indicator
Energy footprint	Principle 6 – 1	- Total energy consumption (in Joules or multiples) % of energy consumed from renewable sources - Energy intensity
Water footprint	Principle 6 – 3	- Total water consumption - Water consumption intensity
	Principle 6 – 4	Water Discharge by destination and levels of Treatment
Greenhouse (GHG) footprint	Principle 6 – 7	Greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity
Embracing circularity - details related	Principle 6 – 9	Details related to waste generated by the entity (Category wise)

Attribute	Principle	Key Performance Indicator
to waste management by the entity		- Waste intensity - Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations - For each category of waste generated, total waste disposed by nature of disposal method
Enhancing Employee Wellbeing and Safety	Principle 3 – 1(c)	Spending on measures towards well-being of employees and workers (including permanent and other than permanent) – cost incurred as a % of total revenue of the company
	Principle 3 – 11	Safety related incidents: - Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Total recordable work-related injuries - No. of fatalities - High consequence work-related injury or ill health (excluding fatalities)
Enabling Gender Diversity in Business	Principle 5 – 3(b)	Gross wages paid to females as % of total wages paid by the entity
	Principle 5 – 7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Attribute	Principle	Key Performance Indicator
Enabling Inclusive Development	Principle 8 – 4	Percentage of input material (inputs to total inputs by value) sourced from MSMEs/ small producers and from within India
	Principle 8 – 5	Job creation in smaller towns – Wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the locations, as % of total wage cost
Fairness in Engaging with Customers and Suppliers	Principle 1 – 8	Number of days of accounts payables
	Principle 9 – 7	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events
Open-ness of business	Principle 1 - 9	Details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties

- Boundary of the report covers the Company's operations in India which includes the Corporate Office, Back offices and Branches as on 31 March 2026.
- Our reasonable assurance engagement is with respect to the Identified Sustainability Information for the reporting boundary as mentioned above for financial year ended 31 March 2026 only unless otherwise stated and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR and, therefore, do not express any opinion thereon.

CRITERIA

- The criteria used by the Company to prepare the Identified Sustainability Information is summarised below (hereinafter referred to as 'Criteria'):

Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations') as amended, read with SEBI Master circular HO/49/14/14(7)2025-CFDPOD2 /I/3762/2026 dated 30 January 2026 and BRSR Core Reporting Standard formulated by Industry Standards Forum.

MANAGEMENT'S RESPONSIBILITIES

- The Company's management is responsible for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations, if any, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

INHERENT LIMITATIONS

- The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

PRACTITIONER'S INDEPENDENCE AND QUALITY CONTROL

- We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code') issued by the International Ethics Standards Board for Accountants' ('IESBA'), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and we have the required competencies and experience to conduct this assurance engagement.
- Our firm applies International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

PRACTITIONER'S RESPONSIBILITY

10. Our responsibility is to express a reasonable assurance in the form of an opinion on the Identified Sustainability Information based on the procedures we have performed and evidence we have obtained.
11. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board ("IAASB"). This standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria.
12. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.
13. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, analytical procedures and agreeing or reconciling with underlying records.
14. Given the circumstances of the engagement, in performing the procedures listed above, we:
 - Conducted discussions with individual data owners for understanding business processes and data management processes at corporate office of the Company.
 - Conducted walkthroughs and visited the corporate office in Jaipur for data and document verification.
 - Conducted interviews with senior executives to understand the reporting process, governance, systems and controls in place during the reporting period.
 - Reviewed the records and relevant documentation including information from audited financial statements or statutory reports submitted by the Company to support relevant performance disclosures within our scope.
 - Evaluated the suitability and application of Criteria and that the Criteria have been applied appropriately to the subject matter.
 - Selected key parameters and representative sampling, based on statistical sampling tables and agreeing claims to source information to check accuracy and completeness of claims such as source data, meter data, etc.
 - Re-performed calculations to check accuracy of claims,
 - Reviewed data from independent sources, wherever available,
 - Reviewed data, information about sustainability performance indicators and statements in the report.
 - Reviewed and verified information / data as per the BRSR Framework.
 - Reviewed accuracy, transparency and completeness of the information/ data provided.
15. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

EXCLUSIONS:

Our reasonable assurance engagement scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than those mentioned in the paragraph 2 and 3 above on Scope of Assurance
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- Data and information outside the defined reporting period i.e., 01 April 2025 to 31 March 2026.
- Data related to Company's financial performance, strategy and other related linkages expressed in Identified Sustainability Information.
- The statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company.

- Assertions related to Intellectual Property Rights and other competitive issues
- Mapping of the Identified Sustainability Information with reporting frameworks other than those mentioned in Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

OPINION

16. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information included in the BRSR for the financial year ended 31 March 2026 is prepared in all material respects, in accordance with the Criteria.

RESTRICTION ON USE OR DISTRIBUTION

17. Our reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely, to assist the Company in reporting on the Company's sustainability performance and activities. Accordingly, this report may not be suitable for any other purpose and should not be used by any other party other than Board of Directors of the Company. Further, we do not accept or assume any duty of care or liability for any other purpose or to any other party to whom this report is shown or into whose hands it may come without our prior consent in writing.

GRANT THORNTON BHARAT LLP

Abhishek Tripathi

Partner

Dated: 15 July 2026

Place: Grant Thornton Bharat LLP

Unit No. 02, Second Floor, BPTP Capital City,

Plot No – 2B, Sector-94, Gautam Buddha Nagar,

Noida - 201301, Uttar Pradesh, India

Independent Auditors' Report

To the Members of
Aavas Financiers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Aavas Financiers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), the relevant circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') from time to time ('RBI Guidelines') and National Housing Bank ('NHB') from time to time ('NHB Guidelines') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including

other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2026 (current year). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
Impairment of loans including Expected Credit Losses (ECL)	
At March 31, 2026, the Company reported total gross loans of ₹ 18,50,233.84 lakhs (2025: ₹ 16,33,704.07 lakhs) and ₹ 12,964.37 lakhs of expected credit loss provisions (2025: ₹ 10,733.14 lakhs).	
Refer note 1 for material accounting policies and notes 5 and 28 for financial disclosures in the accompanying financial statements.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the expected credit losses through the following procedures, but were not limited to the following procedures:
Ind AS 109 - Financial Instruments ('Ind AS 109'), requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's loan assets. Expected credit loss cannot be measured precisely but can only be estimated through use of statistics.	Examined the Board Policy approving methodology for computation of ECL that addresses policies and procedures for assessing and measuring credit risk on the lending exposures of the Company in accordance with the requirements of Ind AS 109. Also, obtained the policy on restructuring of loans approved by the Board of Directors pursuant to the RBI circulars/ guidelines in earlier years and ensured classification of such Loans is in compliant with the requirements of the RBI circulars / guidelines;

Key audit matters	How our audit addressed the key audit matter
The estimation of impairment loss allowance on loan assets involves significant judgement and estimates and applying appropriate measurement principles in case of loss events, including additional considerations on account of Reserve Bank of India guidelines in relation to restructuring. The expected credit loss is calculated using the percentage of probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each of the stages of loan portfolio. Additional management overlay is estimated considering non prediction and long-term future impact. The Expected Credit Loss (“ECL”) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgment and assumptions involved in measuring ECL is required with respect to: • Segmentation of loan book in buckets • Determining the criteria for a significant increase in credit risk • Factoring in future economic assumptions • Techniques used to determine probability of default, loss given default and exposure at default These parameters are derived from the Company’s internally developed statistical models with the help of management experts and other historical data. Considering the significance of the above matter to the financial statements and since the matter required our significant attention to test the calculation of expected credit losses, we have identified this as a key audit matter for current year audit.	• Performed a walkthrough of the impairment loss allowance process, and assessed the design and tested operating effectiveness of the key controls over completeness and accuracy of the key inputs (including loan book as at March 31, 2026) and assumptions considered for calculation, recording and monitoring of the impairment loss recognized; • Tested the completeness of loans and advances included in the Expected Credit Loss calculations as of March 31, 2026 by reconciling it with the balance as per loan balance register. We tested the data used in the PD and LGD model for ECL calculation by reconciling it to the source system. We tested assets in stage 1, 2 and 3 on a sample basis to verify that they were allocated to the appropriate stage and is in compliance with the requirements of Ind AS 109; • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions; • Tested the appropriateness of determining Exposure at Default (EAD), PD and LGD, on sample basis. For exposure determined to be individually impaired, we tested samples of loans and advances and examined management’s estimate of future cash flows, assessed their reasonableness and checked the resultant provision calculations; • Performed an overall assessment of the ECL provision levels at each stage, including Management’s assessment and provision on account of the Company’s portfolio, risk profile, credit risk management practices as well as the macroeconomic environment; • Ensured compliance with Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 as amended, issued by Reserve Bank of India, in relation to identification, upgradation and provisioning of nonperforming assets (NPAs); and • Assessed the appropriateness and adequacy of the related presentation and disclosures in the accompanying financial statements in accordance with the applicable accounting standards and related RBI circulars / guidelines.

Key audit matters	How our audit addressed the key audit matter
Information Technology (“IT”) Systems and Controls for the financial reporting process	
The Company is highly dependent on its Information Technology (“IT”) systems for carrying on its operations which require large volume of transactions to be processed in numerous locations on a daily basis. Amongst other things, management also uses the information produced by the IT systems for accounting and preparation and presentation of the financial statements. The Company’s accounting and financial reporting processes are dependent on automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, impairment on loans, computation of daily DPD, assignment of loans amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. Our areas of audit focus included user access management, changes to the IT environment and segregation of duties. Further, we focused on key automated controls relevant for financial accounting and reporting systems. We have identified ‘IT systems and controls’ as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process and regulatory expectation on automation	Our key audit procedures with the involvement of our IT specialists included, but were not limited to the following: • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Company IT systems. • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorized. • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique. • Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.

Information Other than the Financial Statements and Auditors’ Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors’ report thereon. The Annual Report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director’s Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditors’ responsibilities Relating to Other Information’.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, the RBI Guidelines and the NHB Guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2026 (current year) and are therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 and Note 37 (b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2026;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 47.12(a) to the financial statements.
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries")

- or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 47.12(b) to the financial statements.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v. The Company has not declared or paid any dividend during the year ended March 31, 2026.
- vi. Based on our examination which included test checks, the Company has used certain accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year(s) has been preserved by the Company as per the statutory requirements for record retention.
3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 26118580ESIZIE2755

Mumbai
May 05, 2026

For **Borkar & Muzumdar**
Chartered Accountants

ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 26033254EMAVVE2840

Mumbai
May 05, 2026

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AAVAS FINANCIERS LIMITED FOR THE YEAR ENDED MARCH 31, 2026

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets. B The Company has maintained proper records showing full particulars of intangible assets. (b) The property, plant and equipment and right-of-use assets have been physically verified by the Management during the year, and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets. (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee and properties of defaulting borrowers obtained by taking possession of collateral under The Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as disclosed in Note 1.15.4 of the financial statements) as disclosed in Note 47.1 of the financial statements, are held in the name of the Company. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i) (d) of the Order are not applicable to the Company. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i) (e) of the Order are not applicable to the Company. ii. (a) The Company is involved in the business of rendering services and does not hold any inventory.	Accordingly, the provisions stated under clause 3(ii) (a) of the Order are not applicable to the Company. (b) The Company has not been sanctioned any working capital limits by any bank or financial institution during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company. iii. (a) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, provisions stated under clause 3(iii)(a) of the Order is not applicable to the Company. (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made and securities given are not prejudicial to the interest of the Company. (c) In respect of the loans and advances in nature of loans, the schedule of repayment of principal and payment of interest have been stipulated by the Company. Considering that the Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and engaged in the business of granting loans, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been detailed hereunder because it is not practicable to furnish such details owing to the voluminous nature of data. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognized necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 45.33 to the financial statements), the parties are repaying the principal amounts,

- as stipulated, and are also regular in payment of interest, as applicable.
- (d) In respect of the loans/ advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2026 is ₹ 19,376.32 lakhs. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon.
- (e) The Company is a Housing Finance Company and its principal business is to give loans. Accordingly, provisions stated under clause 3(iii)(e) of the Order is not applicable.
- (f) According to the information and explanations provided to us, there are no loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013, are applicable to the Company. The Company has also not made investments through more than two layer of investment companies in accordance with the provisions of section 186 of the Companies Act, 2013. Hence, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, dues relating to sub clause (a) which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (in lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax Act, 2017	Section 73	2.67	Financial Year 2021-22	Rectification Application pending with Proper Officer
Goods and Service Tax Act, 2017	Section 73	10.30	Financial Year 2020-21	Appeal - Joint Commissioner (Appeal) GST
Goods and Service Tax Act, 2017	Section 74	5.47	Financial Year 2017-18 and 2019-20	Appeal - Joint Commissioner (Appeal) GST
Income-tax Act, 1961	Penalty u/s 270A of the Income Tax Act, 1961	2.07	Financial Year 2017-18	Filed an appeal before ITAT

There are no other dues relating to employees' state insurance, income-tax, cess and other statutory dues which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit except as mentioned in Note 5(ix) to the accompanying financial statements. The Company has initiated necessary action against such instances.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the Management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system comprising internal audit department commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors as referred to in section 192 of the Act and accordingly, the requirement to

report on clause 3(xv) of the Order is not applicable to the Company.

- xvi. (a) The Company is a Housing Finance Company having a valid Certificate of Registration under Section 29A of the NHB Act, 1987 and is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 in terms of exemption granted under paragraph 59 of Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025 (as amended). Accordingly, reporting under clauses 3(xvi) (a) and (b) of the Order are not applicable to the Company.
- (b) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- (c) There are no other Companies part of the Group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing

and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) There are no unspent amounts under sub-section (5) of section 135 of the Act, in respect of ongoing projects, that are required to be transferred to a special account in compliance with the provisions of sub-section (6) of section 135 of the Companies Act.
- (b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Companies Act, 2013 as disclosed in Note 39 to the financial statements.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 26118580ESIZIE2755

Mumbai
May 05, 2026

For **Borkar & Muzumdar**
Chartered Accountants

ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 26033254EMAVVE2840

Mumbai
May 05, 2026

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF AAVAS FINANCIERS LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Aavas Financiers Limited on the Financial Statements for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Aavas Financiers Limited (the "Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration Number: 105047W/W101187

Tushar Kurani
Partner
Membership Number: 118580
UDIN: 26118580ESIZIE2755

Mumbai
May 05, 2026

Inherent Limitations of Internal Financial Controls With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Borkar & Muzumdar**
Chartered Accountants

ICAI Firm Registration Number: 101569W

Brijmohan Agarwal
Partner
Membership Number: 033254
UDIN: 26033254EMAVVE2840

Mumbai
May 05, 2026

Balance Sheet

As at March 31, 2026

(₹ in lakh)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
Cash and cash equivalents	2	22,856.74	1,131.30
Bank balance other than cash and cash equivalents	2	1,61,473.20	1,54,831.88
Derivative financial instruments	3	-	104.87
Receivables	4	1,489.15	1,136.54
Loans	5	18,37,269.47	16,22,970.93
Investments	6	27,081.18	23,001.84
Other financial assets	7	51,073.80	41,998.85
Total financial assets		21,01,243.54	18,45,176.21
Non-financial assets			
Current tax assets (net)		-	73.25
Property, plant and equipment	8(a)	3,785.07	3,039.88
Capital work-in-progress	8(b)	-	-
Intangible assets under development	8(c)	926.33	1,040.09
Intangible assets	8(d)	4,503.31	4,161.37
Right-of-use assets	9	8,585.82	6,169.93
Other non-financial assets	10	2,206.02	2,186.67
Total non-financial assets		20,006.55	16,671.19
Assets held for sale	11	-	-
Total assets		21,21,250.09	18,61,847.40
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	12		
(I) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		218.02	97.48
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		841.42	391.01
Debt securities	13	2,03,406.76	1,72,747.49
Borrowings (other than debt securities)	14	13,55,814.14	12,12,238.95
Lease liabilities	15	9,336.18	6,861.13
Other financial liabilities	16	29,594.14	20,487.86
Total financial liabilities		15,99,210.66	14,12,823.92
Non-financial liabilities			
Current tax liabilities (net)		201.87	-
Provisions	17	976.72	913.56
Deferred tax liabilities (net)	18	10,038.51	7,557.15
Other non-financial liabilities	19	5,737.78	4,469.54
Total non-financial liabilities		16,954.88	12,940.25
Total liabilities		16,16,165.54	14,25,764.17
Equity			
Equity share capital	20	7,928.27	7,915.37
Other equity	21	4,97,156.28	4,28,167.86
Total equity		5,05,084.55	4,36,083.23
Total liabilities and equity		21,21,250.09	18,61,847.40

Summary of material accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Tushar Kurani

Partner
Membership No. 118580

For Borkar & Muzumdar

Chartered Accountants
ICAI Firm Registration No. 101569W

Brijmohan Agarwal

Partner
Membership No. 033254

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

Sandeep Tandon

(Chairperson and
Independent Director)
DIN-00054553

Manu Yeshpal Singh

Chief Executive Officer

Place: Mumbai

Date: May 05, 2026

Ghanshyam Rawat
(President and Chief
Financial Officer)

Saurabh Sharma
(Company Secretary &
Compliance Officer)
ACS-60350

Statement of Profit and Loss

For the year ended March 31, 2026

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations			
Interest income	22	2,27,978.13	2,01,767.67
Fees and commission income	23	11,296.79	10,753.74
Gain on derecognition of financial instruments under amortised cost category		26,731.38	20,743.56
Net gain on fair value changes	24	2,339.34	2,185.55
Total revenue from operations		2,68,345.64	2,35,450.52
Other income	25	137.84	390.98
Total income		2,68,483.48	2,35,841.50
Expenses			
Finance costs	26	1,09,483.82	1,00,746.84
Fees and commission expense	27	1,029.23	832.45
Impairment on financial instruments	28	3,372.44	2,712.43
Employee benefits expense	29	47,036.48	37,775.73
Depreciation, amortization and impairment	8&9	4,311.38	3,645.15
Other expenses	30	19,206.04	16,869.99
Total expenses		1,84,439.39	1,62,582.59
Profit before tax		84,044.09	73,258.91
Tax expense:	18		
(1) Current tax		16,074.59	14,315.72
(2) Deferred tax		2,481.37	1,532.37
Profit after tax for the year		65,488.13	57,410.82
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	29	94.55	31.62
Income tax effect	18	(23.80)	(7.96)
b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income/(Loss) , net of income tax		70.75	23.66
Total comprehensive income for the year		65,558.88	57,434.48
Earnings per equity share	31		
Basic (₹)		82.72	72.54
Diluted (₹)		82.14	71.97
Nominal value per share (₹)		10.00	10.00

Summary of material accounting policies

1

The accompanying notes are an integral part of the financial statements
As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

For Borkar & Muzumdar
Chartered Accountants
ICAI Firm Registration No. 101569W

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

Tushar Kurani
Partner
Membership No. 118580

Brijmohan Agarwal
Partner
Membership No. 033254

Sandeep Tandon
(Chairperson and
Independent Director)
DIN-00054553

Manu Yeshpal Singh
Chief Executive Officer

Place: Mumbai
Date: May 05, 2026

Ghanshyam Rawat
(President and Chief
Financial Officer)

Saurabh Sharma
(Company Secretary &
Compliance Officer)
ACS-60350

Statement of changes in equity

for the year ended March 31, 2026

a. Equity Share Capital

(₹ in lakh)

Particulars	Amount
Balance as at April 01, 2024	7,913.97
Changes in equity share capital during the year	1.40
Balance as at March 31, 2025	7,915.37
Changes in equity share capital during the year	12.90
Balance as at March 31, 2026	7,928.27

b. Other Equity

(₹ in lakh)

Particulars	Share application money pending allotment	Reserves and Surplus				Total
		Securities premium	Share based payments reserve	Special Reserve	Retained earnings	
Balance as at April 01, 2024	-	1,36,306.94	5,154.15	44,664.04	1,83,292.42	3,69,417.55
Profit for the year (A)	-	-	-	-	57,410.82	57,410.82
Other comprehensive income for the year (B)	-	-	-	-	23.66	23.66
Total comprehensive income for the year (A+B)	-	-	-	-	57,434.48	57,434.48
Transfer to special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of the Income Tax Act, 1961.	-	-	-	11,486.89	(11,486.89)	-
Any other change :						
Application money received/(adjusted) during the year	0.01	-	-	-	-	0.01
Issue of share capital	-	29.18	-	-	-	29.18
Share based payments	-	-	1,274.96	-	-	1,274.96
Share options exercised during the year	-	157.90	(157.90)	-	11.68	11.68
Balance as at March 31, 2025	0.01	1,36,494.02	6,271.21	56,150.93	2,29,251.69	4,28,167.86
Profit for the year (C)	-	-	-	-	65,488.13	65,488.13
Other comprehensive income for the year (D)	-	-	-	-	70.75	70.75
Total comprehensive income for the year (C+D)	-	-	-	-	65,558.88	65,558.88
Transfer to special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of the Income Tax Act, 1961.	-	-	-	13,111.80	(13,111.80)	-

Statement of changes in equity

for the year ended March 31, 2026

(₹ in lakh)

Particulars	Share application money pending allotment	Reserves and Surplus				Total
		Securities premium	Share based payments reserve	Special Reserve	Retained earnings	
Any other change:						
Application money received/(adjusted) during the year	0.10	-	-	-	-	0.10
Issue of share capital	(0.01)	112.26	-	-	-	112.25
Share based payments	-	-	3,372.75	-	-	3,372.75
Share options exercised during the year	-	2,006.04	(2,020.64)	-	(40.97)	(55.57)
Balance as at March 31, 2026	0.10	1,38,612.32	7,623.32	69,262.73	2,81,657.80	4,97,156.28

Refer Note No. 1 of Summary of material accounting policies

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Tushar Kurani
Partner
Membership No. 118580

Place: Mumbai
Date: May 05, 2026

For Borkar & Muzumdar
Chartered Accountants
ICAI Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

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

Sandeep Tandon
(Chairperson and Independent Director)
DIN-00054553

Ghanshyam Rawat
(President and Chief Financial Officer)

Manu Yeshpal Singh
Chief Executive Officer

Saurabh Sharma
(Company Secretary & Compliance Officer)
ACS-60350

Statement of Cash flow

for the year ended March 31, 2026

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		84,044.09	73,258.91
Adjustments for			
Depreciation and amortisation property, plant and equipment and right of use assets	8 & 9	4,311.38	3,645.15
Interest on lease liabilities		531.27	503.64
Net gain on derecognition on assigned loans		(9,582.75)	(5,851.95)
Loss/(Gain) on voluntary liquidation of erstwhile Subsidiary company	28	-	(5.18)
(Gain) on sale of Property, plant and equipment		(40.67)	(47.71)
Provision for expected credit loss (ECL)	28	3,372.44	2,717.61
Provision for employee benefits		95.54	145.79
Net gain on fair value changes	24	(2,209.85)	(2,315.04)
Derivative mark to market gain	24	(129.49)	129.49
Share based payments	29	3,372.75	1,274.96
Operating profit before working capital changes		83,764.71	73,455.67
Changes in working capital			
(Increase) in loans		(2,17,776.46)	(2,25,280.01)
(Increase)/Decrease in financial and other assets		303.51	131.59
Increase/(Decrease) in financial and other liabilities		10,945.47	(1,110.95)
Total of changes in working capital		(2,06,527.48)	(2,26,259.37)
Direct taxes paid		(15,878.85)	(13,208.92)
Net cash flow (used) in operating activities (A)		(1,38,641.62)	(1,66,012.62)
B Cash flow from investing activities:			
Inflow (outflow) on account of :			
Proceeds from voluntary liquidation of erstwhile Subsidiary company		-	5.18
Net gain on sale/ purchase of Mutual Fund	24	2,209.85	2,315.04
Purchase of government securities		(6,560.13)	(2,305.42)
(Investment)/Proceeds of Treasury Bills		2,480.79	(2,480.79)
(Investment)/ Redemption of fixed deposits		(6,641.32)	22,894.48
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	8	(3,280.30)	(3,007.06)
Proceeds from sale of Property, plant and equipment		137.18	201.11
Net cash flow (used) in /from investing activities (B)		(11,653.93)	17,622.54

Statement of Cash flow

for the year ended March 31, 2026

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		125.26	30.57
Share / debenture issue expenses		39.82	(684.99)
Proceeds from borrowings		5,24,851.58	4,57,778.28
Repayment of borrowings		(3,50,422.59)	(3,07,351.99)
Repayment of lease liabilities (Including Interest)		(2,573.08)	(2,306.29)
Net Cash flow generated from financing activities (C)		1,72,020.99	1,47,465.58
Net (decrease)/increase in cash and cash equivalents (A+B+C)		21,725.44	(924.50)
Cash and cash equivalents as at the beginning of the year		1,131.30	2,055.80
Cash and cash equivalents as at the end of the year	2	22,856.74	1,131.30
Components of cash and cash equivalents			
Cash on hand		281.07	296.44
Balance in franking machine		-	0.95
Balance with banks			
In current accounts		154.34	2.44
In cash credit		11,921.33	831.47
In deposit account		10,500.00	-
Total cash and cash equivalents	2	22,856.74	1,131.30
Operational Cash Flow from Interest			
Interest Received		2,29,264.51	1,98,692.33
Interest Paid		(1,05,921.33)	(95,029.81)

Summary of material accounting policies

1

Note:-

- Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
- Refer note no. 14(f) for changes in liabilities arising from financing activities.

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Tushar Kurani
Partner
Membership No. 118580

For Borkar & Muzumdar
Chartered Accountants
ICAI Firm Registration No. 101569W

Brijmohan Agarwal
Partner
Membership No. 033254

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

Sandeep Tandon
(Chairperson and
Independent Director)
DIN-00054553

Manu Yeshpal Singh
Chief Executive Officer

Place: Mumbai
Date: May 05, 2026

Ghanshyam Rawat
(President and Chief
Financial Officer)

Saurabh Sharma
(Company Secretary &
Compliance Officer)
ACS-60350

Notes to the Financial Statements

For the year ended March 31, 2026

A Corporate Information

AAVAS FINANCIERS LIMITED ("the Company") (Corporate ID No. L65922RJ2011PLC034297) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a housing finance company with National Housing Bank (NHB) vide Registration No. 04.0151.17 and is engaged in the long term financing activity in the domestic markets to provide housing finance. The Company is a public limited company and its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has its registered office at ,201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur - 302020, Rajasthan, India. The Company has been classified as NBFC- ML (middle layer) as per Scale Based Regulation issued by RBI.

The Company has been granted Certificate of Registration (No. 08.0095.11) to commence/carry on the business as a housing finance company without accepting public deposits by National Housing Bank on August 04, 2011 and got a revised Certificate of Registration (02.0104.13) after conversion of Company from a private limited company to a public limited company on February 08, 2013. Further, the name of Company was changed to AAVAS FINANCIERS LIMITED, pursuant to a Shareholders resolution passed at the EOGM held on February 23, 2017. A fresh certificate of incorporation consequent to such change of name was issued on March 29, 2017 by the Registrar of companies, Jaipur and subsequently the revised certificate of Registration (No.04.0151.17) was issued on April 19, 2017 by National Housing Bank.

B Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and the relevant provisions of the National Housing Bank Act, 1987 as amended from time to time and the Reserve Bank of India (Housing Finance Companies) Directions, 2025 as amended from time to time and the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 dated November 28, 2025 as amended from time to time.

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank (NHB) to the extent applicable. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The financial statements have been prepared on a historical cost basis, except for, derivative financial instruments and other financial assets held for trading and all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

The financial statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 05, 2026.

The Company doesn't have any subsidiary/associate/joint venture company(ies), as on March 31, 2026. Hence it is not required to prepare its consolidated financial statement.

C Use of estimates

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Notes to the Financial Statements

For the year ended March 31, 2026

a) Business Model Assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The company considers the frequency, volume and timing of sales in prior years, the reason for such sales, and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an holistic assessment of how company's stated objective for managing the financial assets is achieved and how cash flows are realised. Therefore, the company considers information about past sales in the context of the reasons for those sales, and the conditions that existed at that time as compared to current conditions.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Based on this assessment and future business plans of the Company, the management has measured its financial assets at amortised cost as the asset is held within a business model whose objective is to collect contractual cash flows, and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ('the 'SPPI criterion')."

b) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Impairment losses on financial assets

The measurement of impairment losses across all categories of financial assets except assets valued at Fair value through P&L (FVTPL), requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's model, which assigns Probability of default (PD)s
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime expected credit loss (LTECL) basis
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, and the effect on PDs, Exposure at default (EAD)s and loss given default (LGD)s
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models."

d) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

Notes to the Financial Statements

For the year ended March 31, 2026

e) Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

1 Summary of material accounting policies

1.1 Cash and cash equivalents

Cash and cash equivalent comprises cash in hand, demand deposits and time deposits with original maturity of less than three months held with bank, debit balance in cash credit account and balance in franking machine.

1.2 Revenue recognition

1.2.1 Interest and similar income

Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recognised using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the contractual life of the financial instrument to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

1.2.2 Other charges and other interest

1.2.2.1 Overdue interest in respect of loans is recognized upon realisation.

1.2.2.2 Other ancillary charges are recognized upon realisation.

1.2.3 Commission on Insurance Policies

Commission on insurance policies sold is recognised on accrual basis when the Company under its agency code sells the insurance policies.

1.2.4 Dividend income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

1.3 Foreign currency

The Company's financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Income and expenses in foreign currencies are initially recorded by the Company at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the functional currency spot rates of exchange at the reporting date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary

Notes to the Financial Statements

For the year ended March 31, 2026

items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

1.4 Property, plant and equipment (PPE) and Intangible assets

Property, plant and equipment

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress”.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

1.5 Depreciation and amortization

Depreciation

Depreciation on tangible assets is provided over the useful life of the asset as per Schedule-II of Companies Act 2013 and depreciation rates have been worked out by applying written down value method. The Company has used the following useful lives to provide depreciation on its PPE.

Property, plant and equipment (PPE)	Useful Life (In Years)
Freehold Land	NIL
Building	60
Furniture and fixtures	10
Motor Vehicles	8
Servers	6
Office equipment	5
Computers and printers	3

All PPE individually costing ₹ 5,000/- or less are fully depreciated in the year of installation/purchase.

Amortization

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company estimates the useful life of an intangible asset to be between four to ten years from the date when the asset is available for use. Life of intangible assets are assessed by the Company on best estimate available at the time of capitalisation and persuasive evidence wherever required.

Notes to the Financial Statements

For the year ended March 31, 2026

1.6 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate. Subsequently, the lease liability is

- (i) Increased by interest on lease liability;
- (ii) Reduced by lease payment made;"

Measurement of Right-of-Use asset

At the time of initial recognition, the Company measures 'Right-of-Use assets' as present value of all lease payment discounted using the Company's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, 'Right-of-Use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-Use assets' is provided on straight line basis over the lease period.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

1.7 Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life."

1.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Contingent liabilities , Contingent assets and Commitments

The Company does not recognize a contingent liability but discloses its existence in the financial statements Contingent liability is disclosed in the case of:

Notes to the Financial Statements

For the year ended March 31, 2026

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

Commitments are future contractual liabilities, classified and disclosed as follows:

- The estimated amount of contracts remaining to be executed on capital account and not provided for;
- Undisbursed commitment relating to loans; and
- Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management."

1.10 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company provides gratuity benefits which is a defined benefit scheme. The cost of providing gratuity benefits is determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in Profit or Loss on the earlier of: The date of the plan amendment or curtailment, and The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and Net interest expense or income.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absence as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other Long term benefits wherein the Company's liability is ascertainable and is payable over a period more than a year is charged to the Profit & loss account on proportionate basis.

Notes to the Financial Statements

For the year ended March 31, 2026

1.11 Taxes

Tax expense comprises current and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority basis the criteria given in IND as 12 "Income Taxes".

1.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.13 Share based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 33.

Notes to the Financial Statements

For the year ended March 31, 2026

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Share Based Payments Reserve.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.14.1 Financial Assets

1.14.1.1 Initial recognition and measurement

Financial assets, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are disbursed to the customers. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade Receivable is measured at their transaction price (as defined in Ind AS 115) on initial recognition.

1.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI) and through profit or loss (FVTPL).

1.14.1.3 Debt instruments at amortised costs

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

1.14.1.4 Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

Notes to the Financial Statements

For the year ended March 31, 2026

- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

1.14.1.5 Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.14.1.6 Business Model Test

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis. The Company considers all relevant information available when making the business model assessment. The Company takes into account all relevant evidence available such as:- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel; The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and How managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model.

1.14.1.7 Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

1.14.2 Financial Liabilities

1.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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For the year ended March 31, 2026

1.14.2.2 Classification and Subsequent measurement - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

1.14.2.3 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

1.14.3 Derivative financial instruments

The Company holds derivative to mitigate the risk of changes in exchange rates on foreign currency exposures as well as interest fluctuations. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Any derivative that is not designated a hedge is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in Statement of Profit and Loss.

1.14.4 Reclassification of financial assets and liabilities

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

1.14.5 De-recognition of financial assets and liabilities

1.14.5.1 Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognised the financial asset if it has transferred the financial asset and the transfer qualifies for de recognition.

A financial asset is treated as transferred by company if, and only if:

- It has transferred its contractual rights to receive cash flows from the financial asset or

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For the year ended March 31, 2026

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the year between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of behaviour cash flow of the future excess interest spread, entered into with the assignee, upfront in the Statement of Profit and Loss. The embedded interest component in the future excess interest spread is recognised as interest income in line with Ind AS 109 'Financial instruments'.

1.14.5.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

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For the year ended March 31, 2026

1.15 Impairment of financial assets

1.15.1 Overview of the ECL principles

The Company records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and receivable on assigned loan, (in this section all referred to as 'financial instruments'). Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 5(a)(3)(v).

The 12m ECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12m ECL are calculated on collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 5(a)(1).

The Company has established a policy to perform an assessment, at the end of each reporting year, of whether a financial instrument's credit risk has increased significantly since initial recognition. This is further explained in Note 5(a)(3)(v).

Based on the above process, the Company group its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit-impaired (as outlined in Note 5(a)(3)(i)). The Company records an allowance for the LTECL."

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced.

1.15.2 The calculation of ECL

The Company calculates ECL on loans and receivable on assigned loan based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Loan commitments: When estimating ECL for undisbursed loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For loan commitments, the ECL is recognised within Provisions.

Provisions for ECL for undisbursed loan commitments are assessed as set out in Note 5(a)(2).

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD** - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognised and is still in the portfolio.
- **EAD** - The Exposure at Default is an exposure at a default date. The EAD is further explained in Note 5(a)(3)(iii).

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For the year ended March 31, 2026

- **LGD** - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 5(a)(3)(iv).

The maximum year for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECL. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired (as defined in Note 5(a)(3)(i)), the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

1.15.3 Forward looking information

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Inflation, Government Expenditure etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates.

The inputs and models used for calculating ECLs are recalibrated periodically through the use of available incremental and recent information. Further, internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Annual data for 9 years (including forecasts for 5 years) were obtained from World Economic Outlook, October 2025 published by International Monetary Fund (IMF). IMF provides historical and forecasted data for important economic indicators country-wise. The data provided for India is used for the analysis. Macro variables that were compared against default rates at segment level to determine the key variables having correlation with the default rates using appropriate statistical techniques. Vasicek model has been incorporated to find the Point in Time (PIT) PD. The company has formulated the methodology for creation of macro-economic scenarios under the premise of economic baseline, upside and downside condition. A final PIT PD is arrived as the scenario weighted PIT PD under different macroeconomic scenarios.

1.15.4 Collateral repossession

To mitigate the credit risk on financial assets, the Company seeks to possess collateral, wherever required as per the powers conferred on the HFC under SARFAESI act. In its normal course of business, the company does not physically repossess properties or other assets in its retail portfolio, but generally engages external or internal agents to recover funds generally at auctions to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession are not continued under loans and advances and are treated as assets held for sale at (i) fair value less cost to sell or (ii) principle outstanding, whichever is less, at the repossession date. With effect from April 01, 2022, the Company has discontinued the treatment of accounting and disclosing such cases as asset held for sale (AFS) and such cases continue to be included as part of the loan portfolio (EAD) as at the balance sheet date. Considering the impracticability involved in verifying the cases under SARFAESI till March 31, 2022, the change is effected prospectively by the Company in these financials statement.

Notes to the Financial Statements

For the year ended March 31, 2026

1.15.5 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to Statement of profit and loss account.

1.16 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date using valuation techniques.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL.

1.17 New Technical Pronouncement

There is no such notification which would have been applicable from April 01, 2026.

Notes to the Financial Statements

For the year ended March 31, 2026

2 Cash and bank balances

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Cash on hand (refer note 2(a))	281.07	297.39
Balance with banks		
In Current accounts	154.34	2.44
In Cash credit accounts	11,921.33	831.47
In Deposits with original maturity of less than three months	10,500.00	-
	22,856.74	1,131.30
Bank balances other than above (refer note 2(b))		
Deposit with original maturity of more than 3 months less than 12 months	1,61,341.22	1,54,200.06
Deposit with original maturity of more than 12 months	131.98	631.82
	1,61,473.20	1,54,831.88
Total	1,84,329.94	1,55,963.18

- 2(a)** Cash on hand includes of ₹ Nil (P.Y. ₹ 0.95 lakh) balance of franking machine.
- 2(b)** Other Bank Balance in deposit accounts include deposits under lien aggregating to ₹ 4,286.16 lakh (P.Y. ₹ 2,596.58 lakh) towards the first loss guarantee provided by the Company under the securitization agreements.

3 Derivative financial instruments

(₹ in lakh)

Particulars	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
As at March 31, 2026			
Currency Derivatives:			
Spot and forwards	-	-	-
Total derivative financial instruments	-	-	-
As at March 31, 2025			
Currency Derivatives:			
Spot and forwards	20,427.76	104.87	-
Total derivative financial instruments	20,427.76	104.87	-

- 3(a)** During the previous year, the Company entered into forward contracts to manage foreign currency risk arising from foreign currency borrowings. No such contracts were entered into during the current year. These contracts were not designated in a hedging relationship, as permitted under Ind AS.
- 3(b)** Notional amount of respective forward contract have been converted using exchange rate at the balance sheet date for that period.

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For the year ended March 31, 2026

4 Receivables

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables		
Undisputed Trade receivables -considered good	1,489.15	1,136.54
	1,489.15	1,136.54

4(i) Trade receivables includes amounts due from the related parties amounting to ₹ Nil as on March 31, 2026 (P.Y. ₹ Nil) (refer Note 35).

4(ii) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

4(iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

4(iv) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

4(v) Receivables Ageing Schedule:

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment							Total
As at March 31, 2026	Unbilled Revenue	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables -considered good	-	-	1,475.25	13.46	0.44	-	-	1,489.15
Total	-	-	1,475.25	13.46	0.44	-	-	1,489.15

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment							Total
As at March 31, 2025	Unbilled Revenue	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables -considered good	-	-	1,131.51	4.13	0.90	-	-	1,136.54
Total	-	-	1,131.51	4.13	0.90	-	-	1,136.54

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For the year ended March 31, 2026

5 Loans

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Housing and Other Loan Assets - Term Loans	18,50,233.84	16,33,704.07
Total Gross	18,50,233.84	16,33,704.07
Less: Impairment loss allowance	(12,964.37)	(10,733.14)
Total Net	18,37,269.47	16,22,970.93
Secured by tangible assets (Property including land and building)	18,50,233.84	16,33,704.07
Total Gross	18,50,233.84	16,33,704.07
Less: Impairment loss allowance	(12,964.37)	(10,733.14)
Total Net	18,37,269.47	16,22,970.93
Loans in India		
Public Sector	-	-
Others	18,50,233.84	16,33,704.07
Total Gross	18,50,233.84	16,33,704.07
Less: Impairment loss allowance	(12,964.37)	(10,733.14)
Total Net	18,37,269.47	16,22,970.93

- i) Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- ii) Loans granted by the Company are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create a security and/or personal guarantees and/or hypothecation of assets and/or assignments of life insurance policies. The process of security creation was in progress for loans to the extent of ₹ 22,166.98 lakh at March 31, 2026 (P.Y. ₹ 37,598.49 lakh).
- iii) Loans sanctioned but undisbursed amount is ₹ 75,254.66 lakh as on March 31, 2026 (P.Y. 63,869.02 lakh).
- iv) The company is not granting any loans against security of shares as collateral.
- v) The company is not granting any loans against gold and silver jewellery as collateral.
- vi) The Company has assigned a pool of loans amounting to ₹ 1,86,349.68 lakh (P.Y. ₹ 1,69,178.29 lakh) by way of a direct assignment transaction during the year. These loan assets have been de-recognised except minimum retention amount from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the assignment transaction on behalf of assignee. The Company pays to assignee as per terms of the assignment agreement. (refer Note no. 45.35)
- vii) The Company has co-lend a pool of loans amounting to ₹ 24,994.72 lakh (P.Y. 12,602.47 lakh) by way of a Co-lending transaction during the year. These loan assets have been de-recognised except minimum retention amount from the loan portfolio of the Company.
- viii) The Company has granted loans to staff secured by equitable mortgage/registered mortgage of the property amounting to ₹ 5,990.19 lakh as on March 31, 2026 (P.Y. ₹ 5,006.24 lakh).
- ix) As per RBI Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) dated July 15, 2024, Loan assets include three loans of ₹ 73.36 lakh (P.Y. Four loans of ₹ 85.86 lakh), which became doubtful due to fraudulent misrepresentation by the borrowers and same has been provided for.

Notes to the Financial Statements

For the year ended March 31, 2026

- x) Refer to note 1.15.4, loan assets includes cases admitted under SARFAESI aggregating ₹ 7,870.03 lakh (P.Y. ₹ 6,357.14 lakh) with effect from April 01, 2022.
- xi) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

5(a)(1) Grouping financial assets measured on a collective basis

As explained in Note 1.15, the Company calculates ECLs on collective basis on following asset classes:

- Housing-Salaried lending
- Housing-Self Employed lending
- Non Housing-Salaried lending
- Non Housing-Self Employed lending

The Company groups these exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans such as product type and customer type.

An analysis of changes in the gross carrying amount of loans and the corresponding ECL allowances in relation to loans are, as follows:

(₹ in lakh)

Particulars	2025-26				2024-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	15,91,989.90	24,080.26	17,633.91	16,33,704.07	13,75,074.16	20,658.63	13,185.78	14,08,918.57
New assets originated	6,23,560.05	-	-	6,23,560.05	5,60,636.25	-	-	5,60,636.25
Assets derecognised or repaid	(3,98,392.95)	(3,402.01)	(4,044.76)	(4,05,839.72)	(3,28,496.22)	(4,003.03)	(2,898.47)	(3,35,397.72)
Transfers from Stage 1	(18,410.63)	11,732.64	6,677.99	-	(20,259.49)	13,167.39	7,092.10	-
Transfers from Stage 2	6,838.87	(9,305.47)	2,466.60	-	4,151.75	(6,214.89)	2,063.14	-
Transfers from Stage 3	1,585.57	581.29	(2,166.86)	-	883.45	472.16	(1,355.61)	-
Amounts written off	-	-	(1,190.56)	(1,190.56)	-	-	(453.03)	(453.03)
Gross carrying amount closing balance	18,07,170.81	23,686.71	19,376.32	18,50,233.84	15,91,989.90	24,080.26	17,633.91	16,33,704.07

Reconciliation of ECL balance is given below:

(₹ in lakh)

Particulars	2025-26				2024-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL opening balance	2,339.22	2,674.65	5,719.27	10,733.14	3,157.74	1,524.99	3,799.16	8,481.89
ECL Remeasurements due to changes in EAD/Credit Risk/ Assumptions (Net)	1,240.22	(41.45)	1,032.46	2,231.23	(835.79)	1,216.61	1,870.43	2,251.25
Transfers from Stage 1	(57.62)	36.35	21.27	-	(52.03)	33.95	18.08	-
Transfers from Stage 2	81.87	(378.15)	296.28	-	46.83	(172.41)	125.58	-
Transfers from Stage 3	40.96	63.27	(104.23)	-	22.47	71.51	(93.98)	-
Amounts written off	-	-	-	-	-	-	-	-
ECL closing balance	3,644.65	2,354.67	6,965.05	12,964.37	2,339.22	2,674.65	5,719.27	10,733.14

Notes to the Financial Statements

For the year ended March 31, 2026

5(a)(2) Loan commitments

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loan commitments is, as follows:

(₹ in lakh)

Particulars	2025-26				2024-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	63,718.14	150.88	-	63,869.02	60,475.93	149.93	-	60,625.86
New assets originated	60,668.54	-	-	60,668.54	51,034.74	-	-	51,034.74
Assets disbursed or cancelled	(49,138.67)	(144.23)	-	(49,282.90)	(47,650.31)	(141.27)	-	(47,791.58)
Transfers from Stage 1	(115.41)	115.41	-	-	(142.22)	142.22	-	-
Transfers from Stage 2	3.18	(3.18)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	75,135.78	118.88	-	75,254.66	63,718.14	150.88	-	63,869.02

Reconciliation of ECL balance is given below:

(₹ in lakh)

Particulars	2025-26				2024-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL opening balance	73.58	27.36	-	100.94	139.20	2.66	-	141.86
ECL Remeasurements due to changes in EAD/ Credit Risk/Assumptions (Net)	72.88	(10.70)	-	62.18	(65.24)	24.32	-	(40.92)
Transfers from Stage 1	(0.17)	0.17	-	-	(0.38)	0.38	-	-
Transfers from Stage 2	0.00	(0.00)	-	-	-	-	-	-
Transfers from Stage 3	-	-	-	-	-	-	-	-
ECL closing balance	146.29	16.83	-	163.12	73.58	27.36	-	100.94

5(a)(3) Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in these notes. It should be read in conjunction with the Summary of material accounting policies.

5(a)(3)(i) Definition of default

The Company considers a loan assets as defaulted and considered it as Stage 3 (credit-impaired) for ECL calculations in all cases, when the borrower becomes more than 90 days past due (DPD) on its contractual payments on any day irrespective of reporting cycle. Company upgrade stage 3 cases only if entire arrears of interest and principal are paid by the borrower i.e. DPD becomes zero. The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed year, if the facility has not been previously derecognized and is still in the portfolio.

5(a)(3)(ii) The Company's process for managing risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers, investments in debt securities and derivatives that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

Notes to the Financial Statements

For the year ended March 31, 2026

5(a)(3)(iii) Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the loan assets subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the loan assets.

5(a)(3)(iv) Loss given default

The Company segments its retail lending products into smaller homogeneous portfolios (housing and non housing), based on key characteristics that are relevant to the estimation of future cash flows. The data applied is collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

5(a)(3)(v) Significant increase in credit risk

The Company continuously monitors all assets subject to ECL. In order to determine whether a loan asset or a portfolio of loan assets is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk when contractual payments are more than 30 days past due.

During the financial year ended March 31, 2022, RBI issued resolution framework 2.0 dated May 05, 2021 accordance with that Company offered moratorium on payment of all installment and/or interest as applicable to all eligible borrowers. For all such accounts that were granted moratorium, the prudential assets classification remained standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification under Income Recognition, Asset Classification and Provisioning Norms). The Company continues to monitor such cases and takes necessary action based on the repayments and the resolution framework 2.0. When estimating ECL on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

5(a)(3)(vi) Risk assessment model

The Company has designed and operates its risk assessment model that factors in both quantitative as well as qualitative information on the loans and the borrowers. The model uses historical empirical data to arrive at factors that are indicative of future credit risk and segments the portfolio on the basis of combinations of these parameters into smaller homogenous portfolios from the perspective of credit behaviour.

5(a)(4) Collateral

The Company holds collateral to mitigate credit risk associated with financial assets. The main types of collateral are registered /equitable mortgage property. The collateral presented relates to loan assets that are measured at amortised cost.

The Company did not hold any loan assets for which no loss allowance is recognised because of collateral at March 31, 2026.

Notes to the Financial Statements

For the year ended March 31, 2026

6 Investments

(₹ in lakh)

Particulars	At fair Value					Total
	Amortised Cost	Through other comprehensive income	Through profit or loss	Subtotal	Others	
As at March 31, 2026						
Government Securities (Refer note 6(a))	27,081.18	-	-	-	-	27,081.18
Treasury Bill (Refer note 6(b))	-	-	-	-	-	-
Total Gross (A)	27,081.18	-	-	-	-	27,081.18
Investments outside India	-	-	-	-	-	-
Investments in India	27,081.18	-	-	-	-	27,081.18
Total (B)	27,081.18	-	-	-	-	27,081.18
Total (A) to tally with (B)	27,081.18	-	-	-	-	27,081.18
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-
Total Net D = (A) -(C)	27,081.18	-	-	-	-	27,081.18
As at March 31, 2025						
Government Securities (Refer note 6(a))	20,521.05	-	-	-	-	20,521.05
Treasury Bill (Refer note 6(b))	2,480.79	-	-	-	-	2,480.79
Total Gross (A)	23,001.84	-	-	-	-	23,001.84
Investments outside India	-	-	-	-	-	-
Investments in India	23,001.84	-	-	-	-	23,001.84
Total (B)	23,001.84	-	-	-	-	23,001.84
Total (A) to tally with (B)	23,001.84	-	-	-	-	23,001.84
Less: Allowance for Impairment loss (C)	-	-	-	-	-	-
Total Net D = (A) -(C)	23,001.84	-	-	-	-	23,001.84

Notes to the Financial Statements

For the year ended March 31, 2026

6(a) Detail of investment in Government Securities

(₹ in lakh)

Particulars	ISIN No	Deal Date	Maturity Date	Price	As at March 31, 2026	As at March 31, 2025
8.20% GOI 2025	IN0020120047	1-Dec-21	24-Sep-25	109.09	-	2,028.21
5.22% GOI 2025	IN0020200112	1-Dec-22	15-Jun-25	96.13	-	3,542.04
6.99% GOI 2026	IN0020230028	9-Jun-23	17-Apr-26	100.09	3,095.57	3,096.52
8.33% GOI 2026	IN0020120039	5-Nov-23	9-Jul-26	102.41	2,554.05	2,577.45
8.27% GJ SDL 2026	IN1520150104	27-Feb-24	13-Jan-26	101.68	-	492.08
7.39% MH SDL 2026	IN2220160104	28-Feb-24	9-Nov-26	100.18	514.80	515.14
7.06% RJ SDL 2026	IN2920160214	28-Feb-24	14-Dec-26	99.43	509.73	508.70
8.28% GOVT. STOCK 2027	IN0020070069	8-Aug-24	21-Sep-27	104.16	2,557.53	2,589.93
7.38% GOVT. STOCK 2027	IN0020220037	19-Nov-24	20-Jun-27	101.55	5,141.78	5,170.98
7.37% 23-10-2028	IN0020230101	3-Jun-25	23-Oct-28	104.95	3,746.94	-
7.37% 23-10-2028	IN0020230101	28-Aug-25	23-Oct-28	104.95	1,061.83	-
7.20% MAHARASHTRA GOVERNMENT 26-08-2025	IN2220190085	28-Aug-25	23-Oct-29	101.88	1,152.84	-
7.37% 23-10-2028	IN0020230101	28-Nov-25	23-Oct-28	104.11	2,672.29	-
6.01% GOI 21/07/2030	IN0020250067	2-Mar-26	21-Jul-30	99.11	2,005.76	-
7.27% MAHARASHTRA GOVERNMENT 15/01/2030	IN2220190101	2-Mar-26	15-Jan-30	101.90	2,068.06	-
Total					27,081.18	20,521.05

6(b) Detail of investment in Treasury Bill

(₹ in lakh)

Particulars	ISIN No	Deal Date	Maturity Date	Price	As at March 31, 2026	As at March 31, 2025
182D-TB (15MAY25)	IN002024Y316	28-Feb-25	15-May-25	98.73	-	2,480.79

7 Other financial assets

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued on Bank Deposits	1,780.26	2,369.08
Security Deposit	741.51	588.31
Receivables on assigned loans	48,771.77	39,189.01
Total Gross	51,293.54	42,146.40
Less: Impairment loss allowance (on receivables on assigned loans)	(219.74)	(147.55)
Total Net	51,073.80	41,998.85

Notes to the Financial Statements

For the year ended March 31, 2026

8 (a) Property, plant and equipment

(₹ in lakh)

Particulars	Building and premises	Computers and printers	Furniture and fixtures	Motor vehicles	Office equipment	Land	Total
Cost							
As at April 01, 2024	1,041.53	3,215.20	2,703.14	920.17	1,361.89	4.95	9,246.88
Purchase	-	729.80	222.07	372.51	209.59	-	1,533.97
Disposals	-	(213.51)	(113.10)	(239.95)	(86.73)	-	(653.29)
As at March 31, 2025	1,041.53	3,731.49	2,812.11	1,052.73	1,484.75	4.95	10,127.56
Purchase	-	908.04	694.40	417.60	400.33	-	2,420.37
Disposals	-	(381.06)	(135.51)	(190.42)	(155.99)	-	(862.98)
As at March 31, 2026	1,041.53	4,258.47	3,371.00	1,279.91	1,729.09	4.95	11,684.95
Accumulated depreciation							
As at April 01, 2024	311.60	2,611.36	1,895.11	438.64	1,023.77	-	6,280.48
Charge for the year	35.55	576.03	290.46	189.93	215.12	-	1,307.09
Disposals	-	(203.28)	(93.48)	(122.19)	(80.94)	-	(499.89)
As at March 31, 2025	347.15	2,984.11	2,092.09	506.38	1,157.95	-	7,087.68
Charge for the year	33.81	670.30	388.36	216.11	270.09	-	1,578.67
Disposals	-	(362.51)	(129.57)	(129.38)	(145.01)	-	(766.47)
As at March 31, 2026	380.96	3,291.90	2,350.88	593.11	1,283.03	-	7,899.88
Net Block							
As at March 31, 2025	694.38	747.38	720.02	546.35	326.80	4.95	3,039.88
As at March 31, 2026	660.57	966.57	1,020.12	686.80	446.06	4.95	3,785.07

8 (b) Capital work-in-progress (refer note 8(b)(i))

(₹ in lakh)

	PPE	Total
Gross block		
As at April 01, 2024	-	-
Capitalised during the year	-	-
Purchase	-	-
As at March 31, 2025	-	-
Capitalised during the year	-	-
Purchase	-	-
As at March 31, 2026	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

8 (c) Intangible assets under development (refer note 8(c)(i))

(₹ in lakh)

	Software	Total
Gross block		
As at April 01, 2024	1,120.53	1,120.53
Capitalised during the year	(1,472.77)	(1,472.77)
Purchase	1,392.33	1,392.33
As at March 31, 2025	1,040.09	1,040.09
Capitalised during the year	(827.71)	(827.71)
Purchase	713.95	713.95
As at March 31, 2026	926.33	926.33

8 (d) Intangible assets

(₹ in lakh)

	Software / Other intangible assets	Total
Gross block		
As at April 01, 2024	4,383.59	4,383.59
Purchase	1,553.52	1,553.52
Disposals	-	-
As at March 31, 2025	5,937.11	5,937.11
Purchase	973.69	973.69
Disposals	(512.33)	(512.33)
As at March 31, 2026	6,398.47	6,398.47
Accumulated amortization		
As at April 01, 2024	1,322.39	1,322.39
Charge for the year	453.35	453.35
As at March 31, 2025	1,775.74	1,775.74
Charge for the year	631.75	631.75
Disposals	(512.33)	(512.33)
As at March 31, 2026	1,895.16	1,895.16
Net block		
As at March 31, 2025	4,161.37	4,161.37
As at March 31, 2026	4,503.31	4,503.31

Notes to the Financial Statements

For the year ended March 31, 2026

8(b)(i) Capital-Work-in Progress (CWIP)

- (a) CWIP aging schedule- There is no balance of Capital-Work-in-Progress(CWIP) available as on March 31, 2026 and March 31, 2025.
- (b) No case of capital-work-in progress in which completion is overdue or has exceeded its cost compared to its original plan.

8(c)(i) Intangible assets under development

(a) Intangible assets under development aging schedule

(₹ in lakh)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2026					
Projects in progress	540.24	235.37	126.74	23.98	926.33
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2025					
Projects in progress	569.85	444.20	26.04	-	1,040.09
Projects temporarily suspended	-	-	-	-	-

- (b) In respect of intangible assets under development, there are no instances whose completion is overdue or has exceeded its costs compared to its original plan after considering extension in scope of work.

9 Right-of-use assets

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Value of Right of Use Asset	14,254.52	11,771.87
Addition	5,611.24	2,733.02
Disposal	(1,094.38)	(250.37)
Gross Carrying Value	18,771.38	14,254.52
Depreciation		
Opening Accumulated Depreciation	8,084.59	6,199.89
Depreciation for the year	2,100.97	1,884.70
Closing Accumulated Depreciation	10,185.56	8,084.59
Net Carrying value	8,585.82	6,169.93

- 9(a) The Company has only one class of assets i.e. Office Premises. Depreciation is computed on straight line basis over the period of lease.

Notes to the Financial Statements

For the year ended March 31, 2026

10 Other non-financial assets

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Prepaid Expenses	1,620.86	1,377.30
Advance to staff	202.90	318.21
Advance to vendors	258.36	424.25
Other Recoverable	123.90	66.91
Total	2,206.02	2,186.67

11 Assets held for sale

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Asset obtained by taking possession of collateral (Refer Note 11(a) & Note 1.15.4)	851.95	1,091.80
Total Gross	851.95	1,091.80
Less: Impairment loss allowance*	(851.95)	(1,091.80)
Total Net	-	-

*The Company has accounted additional provision basis its past experience on realization and time value of money.

11(a) Assets obtained by taking possession of collateral

The Company obtained the following assets by taking possession of collateral held as security against loans and advances and held at the year end. The Company's policy is to realise collateral on a timely basis. The Company does not use non-cash collateral for its operations.

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Residential properties	851.95	1,091.80
Total assets obtained by taking possession of collateral	851.95	1,091.80

12 Payables

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	218.02	97.48
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	841.42	391.01
Total	1,059.44	488.49

Notes to the Financial Statements

For the year ended March 31, 2026

12(a) Trade Payables Ageing Schedule:

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment						
As at March 31, 2026	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	46.26	171.76	-	-	-	218.02
(ii) Others	8.01	0.56	819.42	10.88	2.49	0.06	841.42
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

(₹ in lakh)

Particulars	Outstanding for following periods from due date of payment						
As at March 31, 2025	Unbilled Dues	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	17.40	80.08	-	-	-	97.48
(ii) Others	180.21	-	205.26	5.47	0.07	-	391.01
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-	-

12(b) There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises for the year ended March 31, 2026.

13 Debt Securities

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
Debentures (Refer note 13(a))	1,56,626.97	1,31,651.24
Unsecured		
Debentures (Refer note 13(a))	27,061.82	41,096.25
Commercial Paper (Refer note 13(b))	19,717.97	-
Total	2,03,406.76	1,72,747.49
Debt securities in India	1,76,344.94	1,31,651.24
Debt securities outside India	27,061.82	41,096.25
Total	2,03,406.76	1,72,747.49

Notes to the Financial Statements

For the year ended March 31, 2026

13(a)Detail of Redeemable Non-Convertible Debentures

(₹ in lakh)

ISIN No.	Date of allotment	Date of redemption	Rate of Interest	Interest payment frequency	As at March 31, 2026	As at March 31, 2025	Secured/ Unsecured	Terms of redemption
XS1923066390	20-Dec-18	20-Dec-25	8.93%	Quarterly	-	5,010.13	Unsecured	Redeemable at par
INE216P07209	31-Dec-20	31-Dec-25	8.88%	Quarterly	-	1,501.01	Secured	Redeemable at par
INE216P07217	26-Nov-21	26-Nov-26	7.75%	Annually	10,163.60	10,195.74	Secured	Redeemable at par
INE216P07225	25-Mar-22	25-Mar-27	7.25%	Quarterly	2,002.05	4,004.09	Secured	Redeemable at par
INE216P07175	30-Mar-20	30-Mar-28	8.65%	Semi-Annually	13,633.82	20,435.34	Secured	Redeemable at par
XS2449330336	10-Mar-22	10-Mar-29	8.00%	Quarterly	27,061.82	36,086.11	Unsecured	Redeemable at par
INE216P07233	20-Jul-23	20-Jul-28	7.10%	Quarterly	7,592.05	10,651.20	Secured	Redeemable at par
INE216P07241	29-Oct-24	29-Oct-29	6.92%	Semi-Annually	64,332.64	64,524.50	Secured	Redeemable at par
INE216P07258	15-Jan-25	15-Jan-30	8.42%	Annually	10,170.34	10,169.27	Secured	Redeemable at par
INE216P07266	15-Jan-25	15-Jan-30	8.46%	Annually	10,171.17	10,170.10	Secured	Redeemable at par
INE216P07274	28-Apr-25	26-Apr-30	8.15%	Annually	10,769.42	-	Secured	Redeemable at par
INE216P07282	28-Apr-25	26-Apr-30	8.11%	Annually	10,772.20	-	Secured	Redeemable at par
INE216P07290	26-Jun-25	26-Jun-30	7.40%	Quarterly	17,019.68	-	Secured	Redeemable at par
Total					1,83,688.79	1,72,747.49		

13(b)Detail of Commerical Papers

(₹ in lakh)

ISIN No.	Date of allotment	Date of redemption	Coupon rate	As at March 31, 2026	As at March 31, 2025	Secured/ Unsecured	Terms of redemption
INE216P14098	17-Jun-25	17-Jun-26	6.95%	9,858.98	-	Unsecured	Redeemable at par
INE216P14098	17-Jun-25	17-Jun-26	6.95%	9,858.99	-	Unsecured	Redeemable at par
Total				19,717.97	-		

Terms of repayment of Debt Securities outstanding as at March 31, 2026

(₹ in lakh)

Particulars	Due within 1 year			Due 1 to 3 years		Due 3 to 5 years		Total	
Original maturity of Debt Securities	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Quarterly									
Above 3 years	6%-8%	12	9,115.43	14	12,498.56	5	4,999.79	31	26,613.78
Half yearly									
Above 3 years	8%-10%	4	15,906.09	6	24,789.55	-	-	10	40,695.64
Bullet end									
Below 3 years	6%-8%	2	19,717.97	-	-	-	-	2	19,717.97
Above 3 years	6%-8%	1	11,874.17	-	(287.02)	1	62,909.09	2	74,496.24
	8%-10%	-	1,862.62	-	12.25	4	40,008.26	4	41,883.13
Total		19	58,476.28	20	37,013.34	10	1,07,917.14	49	2,03,406.76

Notes to the Financial Statements

For the year ended March 31, 2026

Terms of repayment of Debt Securities outstanding as at March 31, 2025

(₹ in lakh)

Particulars	Interest rate	Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Total	
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount
Original maturity of Debt Securities									
Quarterly Above 3 years	8%-10%	11	6,611.90	12	7,964.41	2	1,493.33	25	16,069.64
Half yearly Above 3 years	8%-10%	6	20,917.98	8	31,532.95	2	8,959.96	16	61,410.89
Bullet end Above 3 years									
	6%-8%	-	2,134.70	-	-	1	62,719.75	1	64,854.45
	8%-10%	-	645.53	1	9,855.96	2	19,911.03	3	30,412.52
Total		17	30,310.11	21	49,353.32	7	93,084.07	45	1,72,747.49

14 Borrowings (other than debt securities)

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
At amortised cost		
Secured		
Term loans (refer note 14(i))		
From National Housing Bank (NHB) (Refer note 14(a))	2,18,594.90	2,57,678.50
From Banks (Refer note 14(b))	10,39,193.75	8,81,574.72
From Financial institutions (Refer note 14(c))	23,251.01	27,725.70
From Insurance Companies	-	3,123.65
Others		
Cash Credit (refer note 14(d))	-	9,811.61
Others (refer note 14(e))	74,774.48	32,324.77
Total	13,55,814.14	12,12,238.95
Borrowings in India	13,55,814.14	12,12,238.95
Borrowings outside India	-	-
Total	13,55,814.14	12,12,238.95

14(a) Secured term loans from National Housing Bank (NHB) carry rate of interest in the range of 2.80% to 8.50% p.a. The loans are having tenure of 7 to 15 years from the date of disbursement and are repayable in quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company.

14(b) Secured term loans from Banks include loans from various banks and carry rate of interest in the range of 6.48% to 9.70% p.a. The loans are having tenure of 5 to 15 years from the date of disbursement and are repayable in monthly or quarterly instalments. These loans are secured by hypothecation (exclusive charge) of the loans given by the Company. Secured term loan from banks also include auto loans of ₹ 576.89 lakh (P.Y. ₹ 452.31 lakh) carrying rate of interest in the range of 7.50% to 8.85% p.a. which are secured by hypothecation of Company's vehicles.

Notes to the Financial Statements

For the year ended March 31, 2026

14(c) Secured loans from financial institutions include loan from Small Industries Development Bank of India (SIDBI) at carrying rate of interest in the range of 7.65% to 7.84% p.a. which are secured by hypothecation of receivables. The loans are having tenure of 5 to 10 years from the date of disbursement and are repayable in quarterly instalments.

14(d) Cash credit borrowings from bank are repayable on demand and carry interest rates ranging from 8.40% to 10.50%.

14(e) Other borrowings includes associated liabilities to securitized asset which does not fulfill derecognition criteria as per Ind AS.

14(f) Changes in liabilities arising from financing activities

(₹ in lakh)

Particulars**	As at March 31, 2025	Cash flows	Other*	As at March 31, 2026
Debt securities (refer note no 13)	1,72,747.49	30,682.64	(23.37)	2,03,406.76
Borrowings	12,12,238.95	1,43,841.93	(266.74)	13,55,814.14
Total	13,84,986.44	1,74,524.57	(290.11)	15,59,220.90

(₹ in lakh)

Particulars**	As at March 31, 2024	Cash flows	Other*	As at March 31, 2025
Debt securities (refer note no 13)	1,41,255.95	31,954.42	(462.87)	1,72,747.49
Borrowings	10,93,754.83	1,18,308.96	175.16	12,12,238.95
Total	12,35,010.78	1,50,263.38	(287.72)	13,84,986.44

*Other column includes amortisation of transaction cost.

**For lease liabilities, refer note 15

14(g) The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

Notes to the Financial Statements

For the year ended March 31, 2026

14(i) Terms of repayment of long term borrowings outstanding as at March 31, 2026

Particulars	Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due more than 5 year		Total	
	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments
Original maturity of loan										
Monthly repayment schedule										
Above 3 years	6%-8%	739	45,732.19	1,268	77,975.29	491	57,883.84	51	28,009.84	2,549
	8%-10%	149	222.43	131	38.28	1	45.78	-	-	281
Quarterly repayment schedule										
Above 3 years	2%-4%	48	14,842.32	91	27,002.99	2	960.00	-	-	141
	4%-6%	58	11,693.39	144	29,849.04	88	14,965.76	17	1,112.57	307
	6%-8%	254	1,04,139.64	572	2,38,045.81	428	1,97,053.65	395	1,17,955.23	1,649
	8%-10%	122	48,139.03	251	95,415.93	214	84,096.05	235	85,860.60	822
Total		1,370	2,24,769.00	2,457	4,68,327.34	1,224	3,55,005.08	698	2,32,938.24	5,749

The above table doesn't include associated liabilities to securitized asset which does not fulfill derecognition criteria as per Ind AS amounting to ₹ 74,774.48 lakh (Due within 1 year ₹ 11,910.79 lakh and due more than 1 year ₹ 62,863.69 lakh as per behavioral payment analysis.)

Terms of repayment of long term borrowings outstanding as at March 31, 2025

Particulars	Due within 1 year		Due 1 to 3 years		Due 3 to 5 years		Due more than 5 year		Total	
	Interest rate	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments
Original maturity of loan										
Monthly repayment schedule										
Above 3 years	8%-10%	710	46,744.66	1,312	92,898.52	514	67,530.55	118	53,550.12	2,654
Quarterly repayment schedule										
Above 3 years	2%-4%	48	14,824.72	124	37,832.14	33	9,892.49	-	-	205
	4%-6%	62	12,983.98	126	28,764.09	107	23,552.80	18	3,422.16	313
	6%-8%	27	3,882.33	66	10,425.59	48	8,658.19	58	11,099.46	199
	8%-10%	300	1,02,849.86	693	2,46,334.86	546	2,00,275.23	518	1,91,458.41	2,057
Half yearly repayment schedule										
Above 3 years	8%-10%	2	1,248.52	3	1,873.90	-	-	-	-	5
Total		1,149	1,82,534.07	2,324	4,18,129.10	1,248	3,09,909.26	712	2,59,530.15	5,433

The above table doesn't include associated liabilities to securitized asset that has been re-recognised due to non fulfillment of derecognition criteria as per Ind AS amounting to ₹ 32,324.77 lakh (Due within 1 year ₹ 4,940.53 lakh and due more than 1 year ₹ 27,384.24 lakh as per behavioral payment analysis.)

Notes to the Financial Statements

For the year ended March 31, 2026

15 Lease liabilities

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease liabilities	9,336.18	6,861.13
Total	9,336.18	6,861.13

Disclosures as required by Ind AS 116 'Leases' are stated below

Movement of Lease Liability

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance	6,861.13	6,181.14
Add: Addition during the year	5,611.24	2,733.01
Interest on Lease Liability	622.93	524.34
Less: Repayment of lease liabilities (Including Interest)	(2,573.08)	(2,306.30)
Less: Deletion during the year	(1,186.04)	(271.07)
Closing Balance	9,336.18	6,861.13

Lease rentals of ₹ 17.00 Lakh (P.Y. ₹ Nil) pertaining to short-term leases have been charged to statement of profit and loss.

Undiscounted future lease cash outflow for all leased assets

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	2,576.31	2,067.94
Later than one year but not later than five years	6,897.20	4,465.08
Later than five years	2,434.48	704.32
Total	11,907.99	7,237.34

Amount recognised in Statement of Profit and Loss

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest on lease liabilities	622.94	524.34
Depreciation charge for the year	2,100.97	1,884.70
(Gain)/loss on pre-mature lease closure	(91.67)	(20.70)
Total	2,632.24	2,388.34

Maturity analysis of lease liability

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Within 12 months	1,956.85	1,715.28
After 12 months	7,379.33	5,145.85
Total lease liability	9,336.18	6,861.13

Notes to the Financial Statements

For the year ended March 31, 2026

16 Other financial liabilities

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Due to assignees towards collections in derecognised assets	17,365.82	14,053.63
Employee benefits payable	5,089.97	4,957.87
Others	7,138.35	1,476.36
Total	29,594.14	20,487.86

17 Provisions

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Leave availment	286.74	447.58
Gratuity	526.86	365.04
ECL on undisbursed loan commitment	163.12	100.94
Total	976.72	913.56

18 Tax Expenses

The major components of income tax expense for the year ended March 31, 2026

Profit or loss section

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current income tax:		
Current income tax charge	16,074.59	14,315.72
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,481.37	1,532.37
Income tax expense reported in the statement of profit or loss	18,555.96	15,848.09

OCI

Deferred tax related to items recognised in OCI during the year:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net loss/(gain) on re-measurements of defined benefit plans	23.80	7.96
Income tax charged to OCI	23.80	7.96

Notes to the Financial Statements

For the year ended March 31, 2026

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before tax from continuing operations	84,044.09	73,258.91
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	84,044.09	73,258.91
Tax at statutory Income Tax rate of 25.17% (P.Y. 25.17%)	21,152.22	18,437.80
Expenses Disallowed in Income tax Act	619.54	387.33
Other permanent difference	(419.18)	(369.52)
Expenses Disallowed u/s 43B of Income tax Act	(40.48)	14.55
Provision for special reserve u/s 29C of NHB Act read with section 36 (1) (viii) of IT Act, 1961	(2,806.85)	(2,619.40)
Incremental deferred tax liabilities /(assets) on account of Financial assets and other items	50.71	(2.67)
Tax at effective Income Tax rate (a)	18,555.96	15,848.09
Tax on Other comprehensive income (b)	23.80	7.96
Total Tax expenses (a+b)	18,579.76	15,856.05

(₹ in lakh)

Deferred Tax liabilities / (assets)	As at March 31, 2026	As at March 31, 2025
Deferred tax liability		
Unamortized Borrowings cost	362.26	417.24
Receivable on assigned loan	12,274.88	9,863.09
Gross deferred tax liability	12,637.14	10,280.33
Deferred tax asset		
Expected credit loss (ECL)	(1,804.50)	(1,583.03)
Unamortized Processing fee	(343.63)	(580.61)
Fair Valuation of SARFAESI	(31.19)	(39.72)
Provision for gratuity and Leave availment	(21.59)	(70.72)
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	(208.87)	(242.55)
Other adjustments	(188.85)	(206.55)
Gross deferred tax asset	(2,598.63)	(2,723.18)
Net Deferred Tax Liability	10,038.51	7,557.15

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Deferred Tax charged to statement of profit and loss account	Year ended March 31, 2026		Year ended March 31, 2025	
	Profit and Loss	OCI	Profit and Loss	OCI
Unamortized Borrowings cost	(54.97)	-	131.40	-
Receivable on assigned loan	2,411.79	-	1,472.82	-
Expected credit loss (ECL)	(221.47)	-	(76.26)	-
Unamortized Processing fee	236.98	-	(92.83)	-
Difference between tax depreciation and depreciation/amortization charged for the financial reporting	33.67	-	55.96	-
Loss on voluntary liquidation of erstwhile Subsidiary company	-	-	81.46	-
Other adjustments	75.37	23.80	(40.18)	7.96
Deferred Tax charged to statement of profit and loss account	2,481.37	23.80	1,532.37	7.96

The proportionate amount of business income from housing loan segment for Special Reserve u/s 29C of the NHB Act read with section 36 (1) (viii) of Income Tax Act, 1961 has been computed by giving weightage of housing loan for more than 60 months to total loan assets of the Company. The total housing loan for more than 60 months for the year under consideration is ₹ 12,76,263.69 lakh (PY ₹ 12,03,453.84 lakh).

19 Other Non-financial Liabilities

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory Dues Payable	1,165.84	773.57
Provision for Expenses	4,047.52	3,192.48
GST payable	402.44	372.20
Others	121.98	131.29
Total	5,737.78	4,469.54

20 Equity share capital

Details of authorized, issued, subscribed and paid up share capital

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorized share Capital		
8,50,00,000 (P.Y. 8,50,00,000) Equity Shares of ₹ 10/- each	8,500.00	8,500.00
	8,500.00	8,500.00
Issued, Subscribed & Paid up capital		
Issued and Subscribed Capital		
7,92,82,743 (P.Y. 7,91,53,665) Equity Shares of ₹ 10/- each	7,928.27	7,915.37
Called-Up and Paid Up Capital		
Fully Paid-Up		
7,92,82,743 (P.Y. 7,91,53,665) Equity Shares of ₹ 10/- each	7,928.27	7,915.37
Total	7,928.27	7,915.37

Notes to the Financial Statements

For the year ended March 31, 2026

20(a) The reconciliation of equity shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of shares	₹ In lakh	No. of shares	₹ In lakh
Equity Share at the beginning of year	7,91,53,665	7,915.37	7,91,39,705	7,913.97
Add:				
Equity Share Allotted during year				
Shares issued under ESOP/PSOP	1,29,078	12.90	13,960	1.40
Equity share at the end of year	7,92,82,743	7,928.27	7,91,53,665	7,915.37

20(b) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of holding	No. of shares	% of holding
Aquilo House Pte.Ltd.	3,87,57,228	48.88%	1,78,08,116	22.50%
3,87,57,228 Equity Shares of ₹ 10/- each fully paid				
Lake District Holdings Limited	-	-	1,23,46,641	15.60%
Partners Group ESCL Limited	-	-	59,78,718	7.55%
SBI Mutual Fund through various funds	-	-	43,616	0.06%
Total	3,87,57,228	48.88%	3,61,77,091	45.71%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

20(c) Rights, preferences and restrictions attached to shares

Equity shares:

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding."

20(d) Aggregate number of bonus shares issued during the year of five years immediately preceding the reporting date

Particular	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-	-	-	-

20(e) For details of shares reserved for issue under the employee stock option plan (ESOP) and Performance stock option plan (PSOP) of the Company, refer note 33

Notes to the Financial Statements

For the year ended March 31, 2026

20(f) Shareholding of Promoters

Shares held by promoters at the end of March 31, 2026

Promoter name	No. of Shares	% of total shares	% Change during the year
Aquilo House Pte. Ltd.	3,87,57,228	48.88%	117.64%
Total	3,87,57,228	48.88%	117.64%

Shares held by promoters at the end of March 31, 2025

Promoter name	No. of Shares	% of total shares	% Change during the year
Lake District Holdings Limited	1,23,46,641	15.60%	0.00%
Partners Group ESCL Limited	59,78,718	7.55%	0.00%
Partners Group Private Equity Master Fund LLC	26,23,753	3.32%	0.00%
Total	2,09,49,112	26.47%	

21 Other equity

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities premium (refer note 21(a))	1,38,612.32	1,36,494.02
Special reserve u/s 29C of the National Housing Bank Act, 1987 read with 36 (1) (viii) of income tax Act, 1961 (refer note 21(a))	69,262.73	56,150.93
Share Based Payments Reserve (refer note 21(a))	7,623.32	6,271.21
Retained earnings	2,81,657.81	2,29,251.69
Share Application money received	0.10	0.01
Total	4,97,156.28	4,28,167.86

21(a) Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

Special reserve

Section 29C (i) of the National Housing Bank Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1) (viii) of Income tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2026, the Company has transferred an amount of ₹ 11,152.46 lakh (P.Y. ₹ 10,407.66 lakh) to special reserve in terms of Section 36(1) (viii) of the Income Tax Act 1961 considered eligible for special reserve u/s 29C of NHB Act 1987 and also transferred an amount of ₹ 1,959.33 lakh (P.Y. ₹ 1,079.24 lakh) to the Reserve in terms of Section 29C of the National Housing Bank ("NHB") Act, 1987.

Share Based Payments Reserve

This Reserve relates to stock options granted by the Company to employees under various ESOP/PSOP Schemes. This Reserve is transferred to Securities Premium Account on exercise of vested options.

Notes to the Financial Statements

For the year ended March 31, 2026

22 Interest income

(₹ in lakh)

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit and loss	On financial assets measured at fair value through OCI	On financial assets measured at Amortised cost	Interest income on financial assets classified at fair value through profit and loss
Interest on Loans (Refer note 22(a))	-	2,15,968.14	-	-	1,87,998.47	-
Interest on deposits with Banks	-	10,550.66	-	-	12,438.21	-
Interest on Government securities	-	1,440.12	-	-	1,289.33	-
Interest on Treasury Bill	-	19.21	-	-	41.66	-
Total	-	2,27,978.13	-	-	2,01,767.67	-

22(a) Loan origination income included in interest income on loan is disclosed net of the direct incremental costs of ₹ 9,911.09 lakh for year ended March 31, 2026 (P.Y. ₹ 8,436.96 lakh) associated with the origination of the underlying loans.

23 Fees and commission Income

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Insurance commission	3,549.30	3,770.22
Other fee income	7,747.49	6,983.52
Total	11,296.79	10,753.74

Details of segment wise income as required by Insurance Regulatory and Development Authority of India (IRDAI)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Life insurance business	2,825.14	2,907.58
Non Life insurance business	724.16	862.64
Total	3,549.30	3,770.22

Notes to the Financial Statements

For the year ended March 31, 2026

24 Net gain on fair value changes

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Net gain on financial instruments at fair value through profit and loss		
i) On trading portfolio		
Investments in mutual fund	2,209.85	2,315.04
b) Others		
Derivatives	129.49	(129.49)
Total Net gain on fair value changes	2,339.34	2,185.55
Fair value changes		
Realised	2,339.34	2,315.04
Unrealised- MTM gain	-	(129.49)
Total Net gain on fair value changes	2,339.34	2,185.55

25 Other income

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Net gain on derecognition of property, plant and equipment	40.67	47.71
Other income	97.17	343.27
Total	137.84	390.98

26 Finance Costs

(₹ in lakh)

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost	On financial liabilities measured at fair value through Profit or loss	On financial liabilities measured at Amortised cost
Interest on borrowings	-	90,374.18	-	85,235.83
Interest on debt securities	-	16,875.33	-	12,911.06
Interest on Securitised pool	-	1,611.37	-	2,075.61
Interest on lease liability	-	622.94	-	524.34
Total	-	1,09,483.82	-	1,00,746.84

Notes to the Financial Statements

For the year ended March 31, 2026

27 Fees and commission expense

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Resource mobilisation expenses	806.65	609.48
Bank charges and commission	211.91	194.59
Brokerage and Commission	10.67	28.38
Total	1,029.23	832.45

28 Impairment on financial instruments

(₹ in lakh)

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost	On financial instruments measured at fair value through OCI	On financial instruments measured at Amortised cost
Investment in erstwhile subsidiary Company (refer Note B)	-	-	-	(5.18)
Loan Assets	-	2,365.60	-	2,235.28
Provision on Assets held for sale	-	(239.85)	-	(12.18)
Write offs	-	1,190.56	-	453.03
Assets acquired under SARFAESI	-	56.13	-	41.48
Total	-	3,372.44	-	2,712.43

29 Employee Benefits Expenses

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages	41,016.92	34,451.33
Contribution to provident and other funds	1,883.90	1,533.83
Share Based Payments to employees	3,372.75	1,274.96
Staff welfare expenses	762.91	515.61
Total	47,036.48	37,775.73

Notes to the Financial Statements

For the year ended March 31, 2026

Defined Contribution plan

The Company operates defined contribution plan (Provident fund) for all qualifying employees of the Company. The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions. The Company's contribution to provident fund aggregating ₹ 1,571.32 lakh (P.Y. ₹ 1,360.22 lakh) has been recognised in the statement of profit and loss under the head employee benefits expense.

Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of service subject to such limit as prescribed by the Payment of Gratuity Act, 1972 as amended from time to time.

The Government of India has notified the implementation of four New Labour Codes effective November 21, 2025, namely, the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, (collectively referred to as the 'New Labour Codes'), consolidating 29 existing labour laws. In light of the Ministry of Labour & Employment's draft Central Rules and FAQs published on December 30, 2025, the Company has estimated an incremental impact of INR 292 lakh (net) gratuity liability arising out of the past service cost under 'Employees Benefit Expenses' in the Statement of Profit and Loss Account during the quarter and year ended March 31, 2026. This estimate is based on the preliminary assessment of the financial implications of the New Labour Codes. There is an additional past service cost of INR 42 lakh on gratuity liability as per further assessment of new labour code.

Type of Risk	Description of risk
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Interest rate risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Investment Risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance entity and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The following tables summarize the components of net benefits expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Notes to the Financial Statements

For the year ended March 31, 2026

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	539.60	474.12
Interest cost	40.01	22.53
Past service cost -Recognised	457.87	-
Expected Return on plan assets	-	-
Net remeasurement (gain) / loss recognized in the year	-	-
Net expense	1,037.48	496.65

Remeasurement (gains)/ loss recognised in other comprehensive income:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Actuarial loss/(gain) due to change in financial assumptions	(47.15)	89.09
Actuarial loss/(gain) due to change in demographic assumption	(266.01)	-
Actuarial loss/ (gain) due to experience adjustments	179.51	(97.56)
Return on plan assets excluding amounts included in interest income	39.09	(23.14)
Remeasurement (gain) / loss arising during the year	(94.56)	(31.61)

Balance Sheet

Net defined benefit liability

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Present value of defined benefit obligation	2,202.31	1,437.80
Fair value of plan assets	(1,675.45)	(1,072.76)
Plan liability	526.86	365.04

Changes in the present value of the defined benefit obligation are as follows:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening defined benefit obligation	1,437.79	1,114.03
Current service cost	539.60	474.12
Past service cost	457.87	-
Interest cost	113.49	80.48
Benefits paid during the year	(212.81)	(222.36)
Remeasurement (gain)/loss on obligation	(133.65)	(8.48)
Closing defined benefit obligation	2,202.29	1,437.79

Notes to the Financial Statements

For the year ended March 31, 2026

Changes in the present value of the plan assets are as follows:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Fair value of plan asset at the beginning	1,072.76	805.37
Interest Income on Plan Asset	73.48	57.95
Expected return on plan asset	-	-
Contribution made	781.11	408.67
Benefit paid during the year	(212.81)	(222.36)
Actuarial Gain/(Loss) on plan assets	(39.09)	23.14
Fair value of plan asset at the the end of the year	1,675.45	1,072.77

The principle assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Discount rate	7.16%	6.85%
Salary escalation rate	6.00%	6.00%
Employee Turnover	for Service 2 years and below = 35%	age 30 = 5%
	for Service 3 years - 4 Year = 25%	age 31-40 = 3%
	for Service 5 years - 9 Year = 15%	age 41-50 = 2%
	for Service 10 years and above = 7.5%	age 51 & above = 1%
Mortality Rates	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Experience adjustment for the reported years are as below:

(₹ in lakh)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022
Defined benefit obligation	2,202.31	1,437.79	1,114.04	928.09	758.09
Plan assets	(1,675.45)	(1,072.77)	(805.37)	(725.56)	(690.02)
(Surplus)/Deficit	526.86	365.03	308.67	202.53	68.07
Experience adjustments on plan liabilities(Gain)/ Loss	179.51	(97.56)	(44.80)	(80.80)	(70.12)
Experience adjustments on plan assets	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a) Effect of 1% change in assumed discount rate		
- 1% increase	2,062.31	1,250.25
- 1% decrease	2,360.17	1,668.09
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	2,358.70	1,644.57
- 1% decrease	2,060.31	1,261.27
(c) Effect of 1% change in assumed employee turnover rate		
- 1% increase	2,206.41	-
- 1% decrease	2,195.75	-

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Funding Arrangement and Policy

The contribution by the Corporation to fund the liabilities of the plan has to be invested. The trustees of the plan are required to invest the funds as per the prescribed pattern of investments laid out in the income tax rules for such approved schemes. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset-liability matching strategy to manage risk actively.

Maturity Analysis of the Benefit Payments: From the Fund

(₹ in lakh)

Projected Benefits Payable in Future Years From the Date of Reporting	Year ended March 31, 2026	Year ended March 31, 2025
1 st Following Year	245.45	36.57
2 nd Following Year	249.59	41.58
3 rd Following Year	248.94	66.90
4 th Following Year	237.71	73.49
5 th Following Year	212.60	61.22
Sum of Years 6 to 10	816.76	434.38
Sum of Years 11 and above	2,181.12	-

Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the Company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation.

Notes to the Financial Statements

For the year ended March 31, 2026

30 Other expenses

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Advertisement and Brand promotion	725.43	305.15
AMC charges	212.17	250.20
Auditor's remuneration (note 30(a))	161.58	149.58
Collection and legal recovery expenses	1,324.72	1,132.12
Communication costs	775.53	615.38
CSR expenses (refer note 39)	1,271.05	1,085.93
Directors' fees and commission	130.80	163.50
Electricity and water	560.64	537.14
General office expenses	1,185.20	806.87
IT and analytics Expenses	3,595.03	2,849.63
Consultancy and professional charges	1,157.97	865.31
Manpower management cost	4,860.68	5,178.56
Postage and courier expenses	337.35	289.76
Printing and stationery	231.50	203.17
Rent, rates and taxes Expenses	321.84	243.57
Repairs and maintenance	212.47	174.46
Travelling and conveyance	2,142.08	2,019.66
Total	19,206.04	16,869.99

30(a) Auditor's remuneration

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Audit fees	131.45	141.68
Tax audit fees	5.45	5.45
Other services	24.68	2.45
	161.58	149.58

Notes to the Financial Statements

For the year ended March 31, 2026

31 Earning per share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Following reflects the profit and share data used in EPS computations:		
Basic		
Weighted average number of equity shares for computation of Basic EPS (in lakh)	791.70	791.43
Net profit for calculation of basic EPS (₹ in lakh)	65,488.13	57,410.82
Basic earning per share (In ₹)	82.72	72.54
Diluted		
Weighted average number of equity shares for computation of Diluted EPS (in lakh)*	797.30	797.72
Net profit for calculation of Diluted EPS (₹ in lakh)	65,488.13	57,410.82
Diluted earning per share (In ₹)	82.14	71.97
Nominal value of equity shares (In ₹)	10.00	10.00

*Effect of potential issue of shares / stock rights outstanding is 5.60 lakh as on March 31, 2026 (P.Y. 6.30 lakh)

32 Maturity analysis of assets and liabilities

The following tables set forth, for the periods indicated, the assets and liabilities line items expected to be recovered or settled within and after twelve months after factoring prepayment assumptions.

(₹ in lakh)

Particulars	As at March 31, 2026			As at March. 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	22,856.74	-	22,856.74	1,131.30	-	1,131.30
Bank balance other than cash and cash equivalents	1,61,471.91	1.29	1,61,473.20	1,54,831.88	-	1,54,831.88
Derivative financial instruments	-	-	-	104.87	-	104.87
Receivables	1,489.15	-	1,489.15	1,136.54	-	1,136.54
Loans	3,03,985.98	15,33,283.49	18,37,269.47	2,58,923.66	13,64,047.27	16,22,970.93
Investments	6,674.14	20,407.04	27,081.18	8,543.11	14,458.73	23,001.84
Other financial assets	22,468.61	28,605.19	51,073.80	20,348.62	21,650.23	41,998.85
Non-financial assets						
Current tax assets (net)	-	-	-	73.25	-	73.25
Property, plant and equipment	-	3,785.07	3,785.07	-	3,039.88	3,039.88
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	926.33	926.33	-	1,040.09	1,040.09
Intangible assets	-	4,503.31	4,503.31	-	4,161.37	4,161.37
Right-of-use assets	-	8,585.82	8,585.82	-	6,169.93	6,169.93

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Particulars	As at March 31, 2026			As at March. 31, 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Other non-financial assets	2,149.31	56.71	2,206.02	2,119.93	66.74	2,186.67
Assets held for sale	-	-	-	-	-	-
Total Assets	5,21,095.84	16,00,154.25	21,21,250.09	4,47,213.16	14,14,634.24	18,61,847.40
LIABILITIES						
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	218.02	-	218.02	97.48	-	97.48
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	841.42	-	841.42	391.01	-	391.01
Debt securities	58,476.28	1,44,930.48	2,03,406.76	30,310.11	1,42,437.39	1,72,747.49
Borrowings (other than debt securities)	2,36,679.78	11,19,134.36	13,55,814.14	1,97,286.20	10,14,952.75	12,12,238.95
Lease liabilities	1,956.84	7,379.34	9,336.18	1,715.28	5,145.85	6,861.13
Other financial liabilities	29,345.28	248.86	29,594.14	20,290.25	197.61	20,487.86
Non-financial liabilities						
Current tax liabilities (net)	201.87	-	201.87	-	-	-
Provisions	598.55	378.17	976.72	421.45	492.10	913.56
Deferred tax liabilities (net)	-	10,038.51	10,038.51	-	7,557.15	7,557.15
Other non-financial liabilities	5,737.78	-	5,737.78	4,469.54	-	4,469.54
Total Liabilities	3,34,055.82	12,82,109.72	16,16,165.54	2,54,981.32	11,70,782.85	14,25,764.17
Net Assets	1,87,040.02	3,18,044.53	5,05,084.55	1,92,231.84	2,43,851.39	4,36,083.23

For the year ended March 31, 2026

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022 (a)	ESOP 2022 (b)	ESOP 2025
Scheme Name	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2016 (ESOP 2016 I)	Equity stock option plan for Employees 2019 (ESOP 2019)	Equity stock option plan for Employees 2020 (ESOP 2020)	Equity stock option plan for Employees 2021 (ESOP 2021)	Equity stock option plan for Employees 2022 (ESOP 2022)	Equity stock option plan for Employees 2022 (ESOP 2022)	Equity Stock Option Plan for Employees-2025 (ESOP 2025)
No. of options approved*		1,287,901									
Date of grant	23-Feb-17	24-Jan-18	30-Mar-23	1-Feb-24	15-Oct-24	3-Oct-19	13-Jul-21	18-Aug-21	22-Aug-22	11-Nov-25	11-Nov-25
No. of options granted	9,80,118	4,24,687	1,25,000	4,500	89,500	3,00,000	3,00,000	3,00,000	8,50,000	3,01,230	14,22,470
Exercise price per option (in ₹)	215.25	328.00	1,606.40	1,476.55	1,776.35	1,580.20	2,887.05	2,477.15	2,241.25	1,654.00	1,700.00
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions											A) 30% options to vest as per stipulated vesting schedule
											B) 70% options to vest as per stipulated vesting schedule
											C) 50% options to vest as per stipulated vesting schedule ("Fixed Vesting")
											D) 50% options to vest as per stipulated vesting schedule on fulfillment of stipulated conditions ("Conditional Vesting")
A) Fixed Vesting year is as follows on following dates :-											
1 st vesting "12 months from the date of grant	98,012	42,469	12,500	450	8,950	30,000	30,000	30,000	85,000	30,123	85,348
2 nd vesting "On expiry of four months from the 1 st vesting date"	98,012	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2 nd vesting "On expiry of one year from the 1 st vesting date"	NA	42,469	12,500	450	8,950	30,000	30,000	30,000	85,000	30,123	85,348
3 rd vesting "On expiry of one year from the 2 nd vesting date"	98,012	42,469	12,500	450	8,950	30,000	30,000	30,000	85,000	30,123	85,348
4 th vesting "On expiry of one year from the 3 rd vesting date"	98,012	42,469	12,500	450	8,950	30,000	30,000	30,000	85,000	30,123	85,348
5 th vesting "On expiry of one year from the 4 th vesting date"	98,011	42,469	12,500	450	8,950	30,000	30,000	30,000	85,000	30,123	85,348
B) Conditional Vesting											
Exercise year											Five years from the date of each vesting
											Four years from the date of each vesting

Notes to the Financial Statements

For the year ended March 31, 2026

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2023 (e)	PSOP 2024(a)	PSOP 2024(b)
Scheme Name	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2023)	Performance stock option plan (PSOP 2024)	Performance stock option plan (PSOP 2024)
No. of options approved*			3,50,000			4,00,000	
Date of grant	12-Dec-23	15-Oct-24	18-Oct-24	12-Dec-24	12-Aug-25	30-Jan-25	11-Nov-25
No. of options granted	71,044	1,22,139	5,256	23,904	23,637	4,00,000	10,000
Exercise price per option (in ₹)	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year and conditions	Vesting is based on company performance condition over the future years						
Vesting Condition	linked with company's Profitability-Profit After Tax and Asset Quality-Gross Non-Performing Assets and such other parameter NRC may decide.						
Exercise year	Four years from the date of each vesting						

*After adjusting subsequent cancellations, if any

Note:

- During year ended March 31, 2026, pursuant to the Board/Nomination and Remuneration Committee approval dated August 12, 2025 options granted to employees under PSOP 2023(e).
- During year ended March 31, 2026, pursuant to the Board/Nomination and Remuneration Committee approval dated November 11, 2025 options granted to employees under ESOP 2025.
- During year ended March 31, 2026, pursuant to the Board/Nomination and Remuneration Committee approval dated November 11, 2025 options granted to employees under ESOP 2022(b).
- During year ended March 31, 2026, pursuant to the Board/Nomination and Remuneration Committee approval dated November 11, 2025 options granted to employees under PSOP 2024(b).

Notes to the Financial Statements

For the year ended March 31, 2026

II Computation of fair value of options granted during the year ended March 31, 2026

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP 2025	ESOP 2022 (B)	PSOP 2024(b)	PSOP 2023
Share price on the date of grant	1654.00	1654.00	1654.00	1713.20
Exercise price	1700.00	1654.00	10.00	10.00
Expected volatility (%)	29.55% p.a	29.55% p.a	29.55% p.a	28.76%-31.89%
Life of the options granted (years)				
First Vesting	1 years	1 years	1 years	1 years
Second Vesting	2 years	2 years	2 years	2 years
Third Vesting	3 years	3 years	3 years	3 years
Fourth Vesting	4 years	4 years	4 years	4 years
Fifth Vesting	5 years	5 years	-	-
Risk-free interest rate (%)	Vesting 1 - 5.79% Vesting 2 - 5.97% Vesting 3 - 6.20% Vesting 4 - 6.37% Vesting 5 - 6.53%	Vesting 1 - 5.79% Vesting 2 - 5.97% Vesting 3 - 6.20% Vesting 4 - 6.37% Vesting 5 - 6.53%	Vesting 1 - 5.61% Vesting 2 - 5.79% Vesting 3 - 5.97% Vesting 4 - 6.20%	Vesting 1 - 5.59% Vesting 2 - 5.82% Vesting 3 - 5.98% Vesting 4 - 6.20%
Expected dividend rate (%)	0%	0%	0%	0%
Fair value of the option	Tranche 1 - 337.88 Tranche 2 - 440.16 Tranche 3 - 533.06 Tranche 4 - 617.12 Tranche 5 - 694.96	Tranche 1 - 358.94 Tranche 2 - 460.42 Tranche 3 - 552.45 Tranche 4 - 635.59 Tranche 5 - 712.49	Tranche 1 - 1644.55 Tranche 2 - 1645.09 Tranche 3 - 1645.64 Tranche 4 - 1646.20	Tranche 1 - 1703.74 Tranche 2 - 1704.30 Tranche 3 - 1704.84 Tranche 4 - 1705.41

Notes to the Financial Statements

For the year ended March 31, 2026

III Reconciliation of options

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022 (a)	ESOP 2022(b)	ESOP 2025
Year ended March 31, 2026											
Options outstanding at April 1, 2025	3,793	15,555	1,25,000	4,500	89,500	92,360	1,28,557	1,60,444	4,53,776	-	-
Granted during the year	-	-	-	-	-	-	-	-	-	3,01,230	14,22,470
Forfeited during the year	-	-	-	-	-	-	-	-	-	-	-
Exercised during the year	1,461	5,330	-	-	-	5,879	-	-	-	-	-
Expired / lapsed during the year	2,332	-	-	-	1,400	21,114	17,227	30,925	70,082	14,260	29,740
Outstanding at March 31, 2026	-	10,225	1,25,000	4,500	88,100	65,367	1,11,330	1,29,519	3,83,694	2,86,970	13,92,730
Exercisable at March 31, 2026	-	10,225	75,000	1,800	16,500	65,367	88,690	1,03,069	2,28,734	-	-
Weighted average remaining contractual life (in years)	-	0.03	3.96	4.81	5.57	0.89	2.26	2.36	3.37	6.62	7.37
Weighted average share price at the time of exercise*	1,832.65	1,543.91	-	-	-	1,879.08	-	-	-	-	-

Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 I (c)	ESOP 2016 I (d)	ESOP 2016 I (e)	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022 (b)	ESOP 2025
Year ended March 31, 2025										
Options outstanding at April 1, 2024	5,380	18,805	1,25,000	4,500	-	1,49,527	1,67,009	2,01,194	5,67,060	-
Granted during the year	-	-	-	-	89,500	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	-	-	-	-
Exercised during the year	-	3,250	-	-	-	1,200	-	-	-	-
Expired / lapsed during the year	1,587	-	-	-	-	55,967	38,452	40,750	1,13,284	-
Outstanding at March 31, 2025	3,793	15,555	1,25,000	4,500	89,500	92,360	1,28,557	1,60,444	4,53,776	-
Exercisable at March 31, 2025	3,793	15,555	50,000	900	-	92,360	76,477	96,544	1,79,996	-
Weighted average remaining contractual life (in years)	-	0.08	4.96	5.82	6.55	1.49	3.26	3.34	4.37	-
Weighted average share price at the time of exercise*	-	1,806.58	-	-	-	1,859.35	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2023 (e)	PSOP 2024(a)	PSOP 2024(b)
Year ended March 31, 2026							
Options outstanding at April 1, 2025	44,098	1,17,795	5,256	23,904	-	4,00,000	-
Granted during the year	-	-	-	-	23,637	-	10,000
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	10,946	20,083	1,252	3,559	-	80,568	-
Expired / lapsed during the year	7,053	22,059	62	9,140	-	24,470	-
Outstanding at March 31, 2026	26,099	75,653	3,942	11,205	23,637	2,94,962	10,000
Exercisable at March 31, 2026	3,469	3,689	-	-	-	9,962	-
Weighted average remaining contractual life (in years)	2.45	3.94	4.08	3.92	5.87	3.84	6.12
Weighted average share price at the time of exercise*	1,497.21	1,565.51	1,676.35	1,306.37	-	1,374.59	-

Particulars	PSOP 2023 (a)	PSOP 2023 (b)	PSOP 2023 (c)	PSOP 2023 (d)	PSOP 2023 (e)	PSOP 2024(a)	PSOP 2024(b)
Year ended March 31, 2025							
Options outstanding at April 1, 2024	71,044	-	-	-	-	-	-
Granted during the year	-	1,22,139	5,256	23,904	-	4,00,000	-
Forfeited during the year	-	-	-	-	-	-	-
Exercised during the year	9,510	-	-	-	-	-	-
Expired / lapsed during the year	17,436	4,344	-	-	-	-	-
Outstanding at March 31, 2025	44,098	1,17,795	5,256	23,904	-	4,00,000	-
Exercisable at March 31, 2025	3,724	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	4.42	6.05	6.05	6.20	-	6.34	-
Weighted average share price at the time of exercise*	1,705.91	-	-	-	-	-	-

(₹ in lakh)

* Disclosure of weighted average share price at the time of exercise is applicable only for plans where there has been an exercise of options in current financial year.

Notes to the Financial Statements

For the year ended March 31, 2026

34 Segment information

The Company has only one reportable business segment, i.e. lending to borrowers within India, which have similar nature of products and services, type/class of customers and the nature of the regulatory environment (which is banking), risks and returns for the purpose of Ind AS 108 on 'Segment Reporting'. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment. No revenue from transactions with a single external customer aggregates to 10% or more of the Company's total revenue during the year ended March 31, 2026 and March 31, 2025.

35 Related party

a. Names of related parties identified in accordance with Ind AS -24 "Related Party Disclosures"

1. Entities where control exists:

Controlling Entity

Aquilo Universe Pte. Ltd (w.e.f. June 30, 2025)

Holding Company

Aquilo House Pte. Ltd (w.e.f. June 30, 2025)

Shareholders having Substantial interest

Aquilo House Pte. Ltd (w.e.f. June 30, 2025)

Lake District Holdings Limited, upto June 30, 2025

Entity having significant influence

Partners Group ESCL Limited, upto June 30, 2025

Partners Group Private Equity (Master Fund), LLC, upto June 30, 2025

Entity in which director of the Company is a director

Perfios Software Solution Private Limited, upto June 30, 2025

2. Directors and Key Management Personnel

Mr. Sandeep Tandon	Chairperson and Independent Director
Mr. Sachinderpalsingh Jitendrasingh Bhinder#	Managing Director and Chief Executive Officer
Mrs. Kalpana Kaushik Mazumdar	Independent Director
Mrs. Soumya Rajan	Independent Director
Mr. Siddharth Tapaswin Patel*	Non-Executive Nominee Director (w.e.f. June 30, 2025)
Mr. Nikhil Omprakash Gahrotra*	Non-Executive Nominee Director (w.e.f. June 30, 2025)
Mrs. Neha Sureka*	Non-Executive Nominee Director (w.e.f. June 30, 2025)
Mr. Anant Jain*	Non-Executive Nominee Director (w.e.f. June 30, 2025)
Mr. Elcid Vergara*	Non-Executive Nominee Director (w.e.f. June 30, 2025 to October 15, 2025)
Mr. Rohit Ranjan*	Non-Executive Nominee Director (w.e.f. October 15, 2025)
Mr. Ramachandra Kasargod Kamath**	Non-Executive Nominee Director (Up to June 30, 2025)
Mr. Vivek Vig**	Non-Executive Nominee Director (Up to June 30, 2025)
Mr. Nishant Sharma**	Non-Executive Promoter Nominee Director (Up to June 30, 2025)
Mr. Manas Tandon**	Non-Executive Promoter Nominee Director (Up to June 30, 2025)
Mr. Rahul Mehta**	Non-Executive Promoter Nominee Director (Up to June 30, 2025)
Mr. Ghanshyam Rawat	President and Chief Financial Officer
Mr. Ashutosh Atre	President and Chief Risk Officer
Mr. Saurabh Sharma	Company Secretary and Compliance Officer

Notes to the Financial Statements

For the year ended March 31, 2026

*Mr. Siddharth Tapaswin Patel, Mr. Nikhil Omprakash Gahrotra, Mrs. Neha Sureka, Mr. Anant Jain and Mr. Elcid Vergara were appointed as Non-Executive Nominee Director w.e.f. June 30, 2025 and Mr. Rohit Ranjan was appointed as Non-Executive Nominee Director in place of Mr. Elcid Vergara w.e.f. October 15, 2025 on behalf of Aquilo House Pte. Ltd.

**Mr. Ramachandra Kasargod Kamath, Mr. Vivek Vig, Mr. Nishant Sharma, Mr. Manas Tandon, Mr. Rahul Mehta resigned from the position of Non-Executive Nominee Directors of the Company w.e.f. June 30, 2025.

Mr. Sachinderpalsingh Jitendrasingh Bhinder ceased to be the Managing Director & CEO of the Company and, consequently, ceased to be a related party of the Company with effect from the close of business hours of April 20, 2026.

3. Post Employment Benefit Plan

Aavas Gratuity Trust

4. Enterprises under significant influence of the Key Management Personnel

Aavas foundation

5. Close members of Key Managerial Personnel

None

b. The nature and volume of transactions carried out with the above related parties in the ordinary course of business are as follows :

(₹ in lakh)

Name of related party	Nature of transactions	March 31, 2026			March 31, 2025		
		Amount received	Amount paid	Receivable/ (Payable)	Amount received	Amount paid	Receivable/ (Payable)
Mr. Sandeep Tandon	Commission	-	32.70	-	-	32.70	-
Mr. Sachinderpalsingh Jitendrasingh Bhinder*	Issue of Equity shares	3.08	-	-	-	-	-
	Remuneration	-	378.65	-	-	332.24	-
	Share based Payment	-	1,086.58	-	-	344.90	-
Mrs. Kalpana Iyer	Commission	-	32.70	-	-	32.70	-
Mrs. Soumya Rajan	Commission	-	32.70	-	-	32.70	-
Mr. Ramachandra Kasargod Kamath	Commission	-	8.18	-	-	32.70	-
Mr. Vivek Vig	Commission	-	8.18	-	-	32.70	-
Mr. Rohit Ranjan	Commission	-	16.35	-	-	-	-
Mr. Ghanshyam Rawat	Issue of Equity shares	0.65	-	-	-	-	-
	Remuneration	-	298.82	-	-	289.53	-
	Share based Payment	-	156.10	-	-	152.85	-
Mr. Ashutosh Atre	Issue of Equity shares	0.52	-	-	-	-	-
	Remuneration	-	231.77	-	-	222.70	-
	Share based Payment	-	158.71	-	-	145.26	-

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Name of related party	Nature of transactions	March 31, 2026			March 31, 2025		
		Amount received	Amount paid	Receivable/ (Payable)	Amount received	Amount paid	Receivable/ (Payable)
Mr. Saurabh Sharma	Issue of Equity shares	0.06	-	-	-	-	-
	Remuneration	-	29.65	-	-	1.50	-
	Loan given(Refer Note 4)	-	50.00	49.45	-	-	-
	Loan repaid	0.55	-	-	-	-	-
	Interest on Loan	1.44	-	-	-	-	-
	Share based Payment	-	17.13	-	-	3.15	-
Mr. Sharad Pathak**	Issue of Equity shares	-	-	-	3.28	-	-
	Remuneration	-	-	-	-	79.36	-
	Loan given	-	-	-	-	-	26.86
	Loan repaid	-	-	-	1.57	-	-
	Interest on Loan	-	-	-	1.29	-	-
	Share based Payment	-	-	-	-	10.00	-
Aavas Foundation	Contribute as a Settler (CSR)	-	535.12	-	-	521.06	-
Aavas Gratuity Trust	Gratuity Contribution	-	781.11	-	-	408.67	-
Perfios Software Solution Private Limited***	Purchase of Goods/ Services	-	12.18	-	-	52.72	(5.33)

Note :

- All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
- Consolidated Remuneration is paid to Non-Executive Directors within ceiling limits as approved by the shareholders.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- The Company granted secured loan to Mr. Saurabh Sharma under employee home loan policy of the Company amounting to ₹ 50 lakhs at the rate of 6% for a period of 20 years, approved by the Audit Committee of the Company. The company has provided Expected Credit Loss (ECL) of ₹ 0.05 lakh as at March 31, 2026 on the same loan.
- Issue of equity shares includes share premium amount (if any).

*Mr. Sachinderpalsingh Jitendrasingh Bhinder ceased to be the Managing Director & CEO of the Company and, consequently, ceased to be a related party of the Company with effect from the close of business hours of April 20, 2026

**Mr. Sharad Pathak cessed to be related party of the company from the closing of business hours of January 30, 2025.

***Related party till June 30, 2025

- 36** The Company's pending litigations comprise of claims against the Company primarily by the customers. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statements of the Company as at March 31, 2026.

Notes to the Financial Statements

For the year ended March 31, 2026

37 Commitments and contingencies

37(a) Capital and other commitments:

(₹ in lakh)

Particulars	As at March 31, 2026		
	Estimated Project cost	Paid during the year	Balance Payable
Property, plant and equipment	255.65	45.94	209.71
Other intangible assets	1,148.04	926.33	221.71

(₹ in lakh)

Particulars	As at March 31, 2025		
	Estimated Project cost	Paid during the year	Balance Payable
Property, plant and equipment	448.75	81.37	367.38
Other intangible assets	1,827.47	1,040.09	787.38

Refer note 5(iii) for undisbursed commitment relating to loans.

37(b) Contingent Liabilities not provided for in respect of

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Disputed claims against the Company not acknowledged as debts - Taxation*	20.51	17.44
Claims against the Company not acknowledged as debts - others	-	-

*The Company is party to various direct and indirect taxation matters pertaining to penalty proceeding and input tax credit (respectively) in respect of which appeals are pending. The Company expects the outcome of appeals to be favourable. The Company's assessment is supported by the facts of the matter, own judgement, experience & advices from legal & independent tax consultants wherever considered necessary.

38 Expenditure in Foreign currency

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest paid*	3,348.06	3,991.85
Other Expenses**	691.65	643.23

*Interest expenses does not includes provision for interest on Rupee Denominated Bond (RDB) issued on March 10, 2022 payable to CDC Group amounting to ₹ 130.19 lakhs (PY ₹ 215.39 lakh).

**Other expenses does not includes provision for consultancy and professional charges payable to International Finance Corporation amounting to ₹ 21.21 lakh (PY ₹ Nil).

Notes to the Financial Statements

For the year ended March 31, 2026

39 CSR expenses

Operating expenses include ₹ 1,271.05 lakh for the year ended March 31, 2026 (P.Y. ₹ 1,085.94 lakh) towards Corporate Social Responsibility (CSR), in accordance with Companies Act, 2013. Gross amount (including excess spending/ Deficit of previous year) required to be spent by the Company during the year is ₹ 1,271.05 lakh. (P.Y. ₹ 1,085.94 lakh). The Board of Directors of the Company has approved an amount of CSR of ₹ 1,271.05 lakh.

39 (a) The details of amount spent during the respective year towards CSR are as under:

(₹ in lakh)

Particulars	March 31, 2026			March 31, 2025		
	Amount Spent	Yet to be paid	Total	Amount Spent	Yet to be paid	Total
Construction/ acquisition of any asset	78.27	-	78.27	86.14	-	86.14
On purposes other than above	1,164.09	-	1,164.09	1,025.66	-	1,025.66

39 (b) Amount of shortfall at the end of year

No short fall during the FY 2025-26 and FY 2024-25

39 (c) Unspent amount as per Section 135 (5) of the Companies Act, 2013

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Balance (A)	-	-
Amount required to be spent during the year (B)	-	-
Amount spent during the year (restricted to sum of A and B above)	-	-
Closing Balance - Unspent amount	-	-

39 (d) Excess spent amount as per Companies Act, 2013

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Opening Balance - Excess Spent	(57.20)	(31.34)
Amount required to be spent during the year	1,271.05	1,085.94
Amount spent during the year (including any excess for future periods)	1,242.36	1,111.80
Closing Balance - Excess Spent	(28.51)	(57.20)

39 (e) Details of ongoing projects for financial year 2025-26

(₹ in lakh)

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In CSR Unspent Bank A/C		From Company's Bank A/C	From CSR Unspent Bank A/C	From Company's Bank A/C	From CSR Unspent Bank A/C
57.20	-	1,271.05	1,242.36	-	28.51	-

During the year ended March 31, 2026, the Company has spent excess amount of CSR amounting to ₹ 28.51 lakh. The said pre-spent shall be carried forward in next financial year in accordance with the provisions of Company Act, 2013.

Notes to the Financial Statements

For the year ended March 31, 2026

39 (f) Reason of shortfall at the end of year

No short fall during the FY 2025-26.

39 (g) Nature of CSR activities

1. Plantation and Promoting Renewable Energy e.g. Mass Plantation of native species, Solar Energy.
2. Aavas Udaan: Skill Development: focusing on industry specific and new age courses.
3. Aavas Gurukul: Early Childhood Development, School Infrastructure, Quality Education, Resources and Scholarships.
4. Khelodaya: Sports Facility Development, Scholarships.
5. Road Safety and other Awareness programs.
6. Aavas Aahar Program, Health Care and Wellness, Improving Health Infrastructure in Rural and Peri-Urban Areas, Providing Artificial Limbs to PWDs.
7. Gram Siddhi- Women Empowerment, Enterprise Development, Sustainable Value Chain Development"

39 (h) Details of related party transactions

The Company has paid ₹ 535.12 lakh for CSR expenditure to Aavas Foundation, public trust registered under section 12A and 80G of Income Tax Act 1961, established by the Company singly for the purpose of CSR.

40 Fair value measurement

40(a) Valuation Principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly/ indirectly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

40(b) Fair Value of financial instruments which are not measured at Fair Value

The carrying amounts and fair value of the Company's financial instruments are reasonable approximations of fair values at financial statement level.

Valuation methodologies of financial instruments not measured at fair value

Loans

Most of the loans are repriced frequently, with interest rate of loans reflecting current market pricing. Hence carrying value of loans is deemed to be equivalent of fair value.

Borrowings

The most of the Company's borrowings are at floating rate which approximates the fair value.

Debt securities and subordinate liabilities are fixed rate borrowings and fair value of these fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rates charged for similar new loans and carrying value approximates the fair value for fixed rate borrowing at financial statement level.

Short Term and Other Financial Assets and Liabilities

The management assessed that cash and cash equivalents, investments, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Assets held for sale

Real estate properties are valued based on a well progressed sale process with price quotes.

Notes to the Financial Statements

For the year ended March 31, 2026

41 Transfer of Financial assets

Transfers of financial assets that are not derecognised in their entirety

Securitisation:

The Company uses securitisations as a source of finance. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities. Securitisation has resulted in the continued recognition of the securitised assets.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in lakh)

Loans and advances measured at amortised cost	As at March 31, 2026	As at March 31, 2025
Carrying amount of transferred assets measured at amortised cost	82,594.83	32,839.77
Carrying amount of associated liabilities	(74,774.48)	(32,307.38)

The carrying amount of above assets and liabilities is a reasonable approximation of fair value.

Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

Assignment Deal:

During the year ended March 31, 2026, the Company has sold some loans and advances measured at amortised cost as per assignment deals, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been derecognised from the Company's balance sheet.

The management has evaluated the impact of assignment transactions done during the year for its business model. Based on the future business plan, the company business model remains to hold the assets for collecting contractual cash flows.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

(₹ in lakh)

Loans and advances measured at amortised cost	Year ended March 31, 2026	Year ended March 31, 2025
Carrying amount of derecognised financial assets	1,86,349.68	1,69,178.29
Gain from derecognition	26,731.38	20,743.56

Co-lending Deal:

During the year ended March 31, 2026, the Company has transferred a pool of loans amounting to ₹ 24,994.72 lakh (P.Y. 12,602.47 lakh) by way of a Co-lending transaction during the year. These loan assets have been de-recognised from the loan portfolio of the Company as the sale of loan assets is an absolute assignment and transfer on a 'no-recourse' basis. The Company continues to act as a servicer to the Co-lending transaction on behalf of lender.

The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain on derecognition.

(₹ in lakh)

Loans and advances measured at amortised cost	Year ended March 31, 2026	Year ended March 31, 2025
Carrying amount of derecognised financial assets	24,994.72	12,602.47
Gain from derecognition	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

42 Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital, Securities premium and all other equity reserves attributable to the equity holders of the Company net of intangible assets. The primary objective of the Company's capital management is safety and security of share capital and maximize the shareholder value.

The Company manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is total debt divided by net worth. The Company's policy is to keep the gearing ratio at reasonable level of 6-8 times in imminent year while RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26 Reserve Bank of India (Housing Finance Companies) Directions, 2025 currently permits HFCs to borrow up to 12 times of their net owned funds ("NOF"). The Company includes with in debt, its all interest bearing loans and borrowings.

Debt to net worth ratio

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Debts	15,59,220.90	13,84,986.44
Net worth	4,99,654.91	4,30,881.77
Debt to Net worth (in times)	3.12	3.21

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

43 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings. The main purpose of these financial liabilities is to finance the company's operations. At the other hand company's principal financial assets include loans and cash and cash equivalents that derive directly from its operations.

As a lending institution, Company is exposed to various risks that are related to lending business and operating environment. The principal objective in Company's risk management processes is to measure and monitor the various risks that Company is subject to and to follow policies and procedures to address such risks. Company 's risk management framework is driven by Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee. Company gives due importance to prudent lending practices and have implemented suitable measures for risk mitigation, which include verification of credit history from credit information bureaus, personal verification of a customer's business and residence, technical and legal verifications, conservative loan to value, and required term cover for insurance. The major types of risk Company face in businesses are liquidity risk, credit risk, interest rate risk.

(A) Liquidity risk

Liquidity Risk refers to the risk that the company can not meet its financial obligations. The objective of Liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. The unavailability of adequate amount of funds at optimum cost and co-terminus tenure to repay the financial liabilities and further growth of business resultantly may face an Asset Liability Management (ALM) mismatch caused by a difference in the maturity profile of Company assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Company manages liquidity risk by maintaining adequate cash reserves and undrawn credit facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Financial Statements

For the year ended March 31, 2026

The Company has given cash collateral for the securitisation transactions and do not expect any net cash outflow and hence guarantees given for securitisation transactions have not been shown as part of below table. Further, undisbursed loan amount being cancellable in nature are not disclosed as part of below mentioned maturity profile.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities.

Maturity profile of Financial liabilities as on March 31, 2026

(₹ in lakh)

Particulars	Borrowings	Payables	Other Financial liabilities
1 Day to 1 year	3,95,256.13	1,059.44	29,345.28
Over 1 year to 3 years	6,79,935.18	-	248.86
Over 3 year to 5 years	5,58,432.28	-	-
Over 5 year	2,83,604.85	-	-
Total	19,17,228.44	1,059.44	29,594.14

Maturity profile of Financial liabilities as on March 31, 2025

(₹ in lakh)

Particulars	Borrowings	Payables	Other Financial liabilities
1 Day to 1 year	3,24,134.12	488.49	20,290.25
Over 1 year to 3 years	6,26,661.88	-	197.61
Over 3 year to 5 years	4,93,823.54	-	-
Over 5 year	3,05,592.11	-	-
Total	17,50,211.65	488.49	20,487.86

(B) Credit risk

Credit Risk arises from the risk of loss that may occur from the default in repayment by the borrowers of the Company under loan agreements. Customer defaults coupled with inadequate collateral may lead to higher credit impaired assets. Company addresses credit risks by using a set of credit norms and policies, which are approved by Board and backed by analytics and technology. Company has implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment, and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Company has created a robust credit assessment and underwriting practice that enables to risk adjusted price on credit.

The Company has created more than 60 templates of customer profiles through its experience over the years, to provide guidance to the underwriting team to assess customers' income and loan eligibility based on informal information or kachha records validated by them. New profile templates are added as and when the Company enters new geographies and begins to fund new customer segments which have potential of repeat business. The Company also conduct an analysis of the existing cash flow of customer's business to assess their repayment abilities. The Company has implemented a four-prong system of credit assessment comprising underwriting, legal assessments, technical assessments and operational risk assessment (risk containment unit).

Notes to the Financial Statements

For the year ended March 31, 2026

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 18,99,005.60 lakh and ₹ 16,72,893.09 lakh as of March 31, 2026 and March 31, 2025 respectively, being the total of the carrying amount of Loan assets and receivable on assigned loans.

The table below summarises the gross carrying values and the associated allowance for expected credit loss (ECL) stage wise for loan portfolio

As at March 31, 2026

(₹ in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	18,07,170.81	23,686.71	19,376.32	18,50,233.84
Allowance for ECL	3,644.65	2,354.67	6,965.05	12,964.37
ECL coverage ratio	0.20%	9.94%	35.95%	0.70%

As at March 31, 2025

(₹ in lakh)

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value	15,91,989.90	24,080.26	17,633.91	16,33,704.07
Allowance for ECL	2,339.22	2,674.65	5,719.27	10,733.13
ECL coverage ratio	0.15%	11.11%	32.43%	0.66%

Product wise Bifurcation

As at March 31, 2026

(₹ in lakh)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Housing Loan	14,07,461.12	17,007.86	14,829.82	14,39,298.80
Non Housing Loan	3,99,709.69	6,678.85	4,546.50	4,10,935.04
Total	18,07,170.81	23,686.71	19,376.32	18,50,233.84

As at March 31, 2025

(₹ in lakh)

Customer profile	Stage 1	Stage 2	Stage 3	Total
Housing Loan	12,82,457.35	16,790.09	13,399.40	13,12,646.84
Non Housing Loan	3,09,532.56	7,290.18	4,234.50	3,21,057.23
Total	15,91,989.90	24,080.26	17,633.91	16,33,704.07

(C) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market factors. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of interest rate risk.

Notes to the Financial Statements

For the year ended March 31, 2026

(I) Interest Rate Risk:-

The company is subject to interest rate risk, primarily since it lends to customers at rates and for maturity years that may differ from funding sources. Interest rates are highly sensitive to many factors beyond control, including the monetary policies of the Reserve Bank of India, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. In order to manage interest rate risk, the company seek to optimize borrowing profile between short-term and long-term loans. The company adopts funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and Asset Liability Management Committee supervise an interest rate sensitivity report periodically for assessment of interest rate risks.

Due to the very nature of housing finance, the company is exposed to moderate to higher Interest Rate Risk. This risk has a major impact on the balance sheet as well as the income statement of the company. Interest Rate Risk arises due to:

- Changes in Regulatory or Market Conditions affecting the interest rates
- Short term volatility
- Prepayment risk translating into a reinvestment risk
- Real interest rate risk.

In short run, change in interest rate affects Company's earnings (measured by NII or NIM) and in long run it affects Market Value of Equity (MVE) or net worth. It is essential for the company to not only quantify the interest rate risk but also to manage it proactively. The company mitigates its interest rate risk by keeping a balanced portfolio of fixed and variable rate loans and borrowings. Further company carries out Earnings at risk analysis and maturity gap analysis at quarterly intervals to quantify the risk.

Interest Rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity:

(₹ in lakh)

Particulars	Basis Points	Effect on Profit before tax and equity	
		As at March 31, 2026	As at March 31, 2025
Loans			
Increase in basis points	50	6,223.40	5,723.47
Decrease in basis points	-50	(6,220.49)	(5,721.59)
Borrowings			
Increase in basis points	50	(5,215.47)	(4,629.95)
Decrease in basis points	-50	5,215.47	4,629.95

(II) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company's exposure to the risk of changes in foreign exchange rates relates primary to the foreign currency borrowings taken from bank.

(D) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is associated with human error, system failures and inadequate procedures and controls. It is the risk of loss arising from the potential that inadequate information system; technology failures, breaches in internal controls, fraud, unforeseen catastrophes, or other operational problems may result in unexpected losses or reputation problems. Operational risk exists in all products and business activities.

Notes to the Financial Statements

For the year ended March 31, 2026

The Company recognizes that operational risk event types that have the potential to result in substantial losses includes Internal fraud, External fraud, employment practices and workplace safety, clients, products and business practices, business disruption and system failures, damage to physical assets, and finally execution, delivery and process management.

The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

44 Disclosure pertaining to Resolution Framework for COVID-19 related stress and resolution framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses to read with Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions dated November 28, 2025

(₹ in lakh)

Type of Borrower	As at March 31, 2026				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2025 (A)	of (A) aggregate debt that slipped into NPA during the half year ended March 31, 2026	Of (A) amount written off during the half year ended March 31, 2026	Of (A) amount paid by the borrower during the half year ended March 31, 2026*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2026
Personal Loan	5,347.22	77.13	12.82	266.13	4,991.14
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	5,347.22	77.13	12.82	266.13	4,991.14

* Amount paid by the borrower during the half year is net of additions.

Impairment loss allowance on account of Covid-19 restructuring 2.0. is ₹ 374.68 lakh as on March 31, 2026 (P.Y. ₹ 426.06 lakh)
(₹ in lakh)

Type of Borrower	As at September 30, 2025				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2025 (A)	of (A) aggregate debt that slipped into NPA during the half year ended September 30, 2025	Of (A) amount written off during the half year ended September 30, 2025	Of (A) amount paid by the borrower during the half year ended September 30, 2025*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2025
Personal Loan	5,964.38	303.18	7.49	306.49	5,347.22
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	5,964.38	303.18	7.49	306.49	5,347.22

* Amount paid by the borrower during the half year is net of additions.

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Type of Borrower	As at March 31, 2025				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2024 (A)	of (A) aggregate debt that slipped into NPA during the half year ended March 31, 2025	Of (A) amount written off during the half year ended March 31, 2025	Of (A) amount paid by the borrower during the half year ended March 31, 2025*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2025
Personal Loan	6,369.26	147.57	7.14	250.17	5,964.38
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	6,369.26	147.57	7.14	250.17	5,964.38

* Amount paid by the borrower during the half year is net of additions.

(₹ in lakh)

Type of Borrower	As at September 30, 2024				
	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at March 31, 2024 (A)	of (A) aggregate debt that slipped into NPA during the half year ended September 30, 2024	Of (A) amount written off during the half year ended September 30, 2024	Of (A) amount paid by the borrower during the half year ended September 30, 2024*	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at September 30, 2024
Personal Loan	7,341.48	467.38	67.61	437.23	6,369.26
Corporate Loan	-	-	-	-	-
Of Which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	7,341.48	467.38	67.61	437.23	6,369.26

* Amount paid by the borrower during the half year is net of additions.

- 45 Disclosures required by the Reserve Bank of India as per Notification no. DOR.ACC.REC. No.278/21.04.018/2025-26 dated November 28, 2025 – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 read with RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26 Reserve Bank of India (Housing Finance Companies) Directions, 2025**

Notes to the Financial Statements

For the year ended March 31, 2026

45.1 Summary of Material Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note 1 to the Financial Statement for the year ended March 31, 2026.

Disclosure:

45.2 Capital

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
CRAR (%)	44.56%	44.50%
CRAR - Tier I capital (%)	44.56%	44.38%
CRAR - Tier II capital (%)	0.00%	0.12%
Amount of subordinated debt raised as Tier- II Capital	-	-
Amount raised by issue of perpetual Debt instruments	-	-

45.3 Reserve Fund u/s 29C of NHB Act, 1987

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		
Opening Balance	56,150.93	44,664.04
Additional during the year	13,111.79	11,486.89
Appropriation during the year	-	-
Closing Balance	69,262.72	56,150.93

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Special Reserve u/s 29C of The National Housing Bank Act, 1987 read with section 36 (1) (viii) of Income Tax Act, 1961		
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	6,062.75	4,983.52
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	50,088.18	39,680.52
c) Total	56,150.93	44,664.04
Addition /Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	1,959.33	1,079.23
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	11,152.46	10,407.66

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision under section 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	8,022.08	6,062.75
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	61,240.64	50,088.18
c) Total	69,262.72	56,150.93

45.4 Investments

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Value of Investment		
Gross Value of Investment	27,081.18	23,001.84
In India	27,081.18	23,001.84
Outside India	-	-
Provision for Depreciation		
In India	-	-
Outside India	-	-
Net Value of Investment	27,081.18	23,001.84
In India	27,081.18	23,001.84
Outside India	-	-
Movement of Provision held towards depreciation on Investment		
Opening Balance	-	-
Add: Provisions made during the year	-	-
Less: Write off/Write Back Excess provision during the year	-	-
Closing Balance	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

45.5 Derivatives

a) Forward Rate Agreement/Interest Rate Swap

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) The notional principal of swap agreements*	-	20,427.76
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	104.87
(iii) Collateral required by the NBFC upon entering into swaps	-	NA
(iv) Concentration of credit risk arising from the swaps	-	NA
(v) The fair value of the swap book	-	104.87

* The total outstanding amount of Foreign Currency Term Loan (FCTL) as on March 31, 2026 is Nil (P.Y. ₹ 20,137.03 lakh). Since no FCTL was outstanding as on March 31, 2026 hence forward exchange contract were outstanding for the year ended March 31, 2026 is Nil (P.Y. ₹ 20,427.76 lakh).

b) Quantitative Disclosure - Currency Derivatives

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Derivatives (Notional Principal Amount)	-	20,427.76
(ii) Market to Market Positions	-	-
(a) Assets (+)	-	104.87
(b) Liability (-)	-	-
(iii) Credit Exposure	-	104.87
(iv) Unhedged Exposures	-	-

Qualitative Disclosure:

The Company's Board of Directors ("Board") has laid down Foreign Currency Risk Management Policy ("Policy") with respect managing foreign currency and related risk which include exchange and interest rate risk by using appropriate derivative instruments.

Board has empowered the Executive Committee of Board (hereinafter referred to as "EC") to decide the hedging level by using appropriate derivative instruments for borrowing transactions and, based on ALCO Committee review and recommendation, for non borrowing transaction.

Management continuously identifies potential foreign currency and related risks for any foreign currency borrowing at each and every transaction level, analyse them and takes precautionary steps such as hedging and/ or use of appropriate derivative instrument to reduce/curb the foreign currency and related risk as per the Policy.

Periodical report of all hedging/derivative transactions are being presented to Risk Management Committee of the Board and/or ALCO.

As per the Companies Act, 2013 and with reference to various guidelines issued by RBI/NHB from time to time, the company is following the applicable accounting standards issued by ICAI for accounting of such transactions and accordingly due disclosures has been made in notes to accounts. During the period under review the Company has used Forward Contracts to mitigate exchange rate risk with respect to all contractual cash flows of Foreign Currency Term Loan of USD 5.85208 Cr availed by Company.

Notes to the Financial Statements

For the year ended March 31, 2026

45.6 Securitisation

- a. Disclosure as per Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025 dated November 28, 2025 - assignment /securitisation transactions as an originator:
For Non-STC transactions:

(₹ in lakh)

Particulars	No. / Amount	
	As at March 31, 2026	As at March 31, 2025
1. No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	5	4
2. Total amount of securitised assets as per books of the SPEs	81,964.44	32,814.58
3. Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
(I) Off-balance sheet exposures		
First Loss	-	-
Others	-	-
(II) On-balance sheet exposures		
First Loss (in form of cash collateral)	4,286.16	2,596.58
Others (in form of investment in PTCs)	7,186.68	532.32
4. Amount of exposures to securitisation transactions other than MRR		
(I) Off-balance sheet exposures		
a) Exposure to own securitizations		
First Loss	-	-
Others (Guarantees provided by banks on behalf of the Company*)	430.70	430.70
b) Exposure to third party securitisations		
First Loss	-	-
Others	-	-
(II) On-balance sheet exposures		
a) Exposure to own securitisations		
First Loss	-	-
Others	-	-
b) Exposure to third party securitisations		
First Loss	-	-
Others	-	-
5. Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation (during the year)	56,319.27	-
6. Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.	-	-
a) Liquidity Support		
Outstanding Value		
b) Post Securitisation Assets servicing		
Outstanding Value	81,964.44	32,814.58

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Particulars	No. / Amount	
	As at March 31, 2026	As at March 31, 2025
7. Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
Credit enhancement facility		
a) Amount paid	8,447.89	-
b) Repayment received	-	-
c) Outstanding amount	11,475.17	3,027.28
Servicing Agent		
a) Amount paid	-	-
b) Repayment received	-	-
c) Outstanding amount	81,964.44	32,814.58
8. Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Asset Class- RBMS (Average of last 5 years)	1.00%	0.98%
9. Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	-	-
Asset Class- RMBS		
Number of additional/ Top Up Loan	114	169
Amount of additional/ Top Up Loan	665.56	822.91
10. Investor complaints		
a) Directly/Indirectly received and	-	-
b) Complaints outstanding	-	-

* Second Loss facility

b. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Number of accounts	-	-
Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

c. Details of Assignment transactions undertaken by company

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Number of accounts	18,582	17,783
Aggregate value (net of provisions) of accounts assigned*	1,67,714.71	1,52,260.46
Aggregate consideration	1,67,714.71	1,52,260.46
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

* Represents amount related to share of assignee.

d. Details of non-performing financial assets purchased/sold

i Details of non-performing financial assets purchased:

The company has not purchased non-performing financial assets in the current and previous year.

ii Details of non-performing financial assets sold:

The company has not sold non-performing financial assets in the current and previous year.

45.7 Asset liability management

Maturity pattern as on March 31, 2026

(₹ in lakh)

Particulars	Liabilities				Assets			
	Deposits	Borrowings from banks	Market borrowings	Foreign currency Liability	Advance	Investments	Fixed Deposits*	Foreign currency Assets
1 to 7 Days	-	2,689.11	-	-	20,275.10	-	23,100.00	-
8 to 14 Days	-	107.00	-	-	6,213.30	-	-	-
15 Days to 30/31 Days	-	3,908.62	4,172.05	-	12,500.52	3,095.57	10,000.00	-
Over 1 month to 2 month	-	8,086.82	(16.92)	-	24,393.12	-	41,803.43	-
Over 2 month to 3 month	-	25,066.78	21,356.24	-	24,321.59	-	45,700.26	-
Over 3 month to 6 month	-	63,376.05	10,124.27	-	72,526.16	2,554.05	46,954.06	-
Over 6 month to 1 year	-	1,33,445.40	22,840.64	-	1,44,543.84	1,024.52	128.00	-
Over 1 year to 3 years	-	4,90,672.03	37,013.34	-	5,36,363.27	15,180.38	1.29	-
Over 3 year to 5 years	-	3,73,205.20	1,07,917.14	-	4,49,475.38	5,226.66	-	-
Over 5 years	-	2,55,257.13	-	-	5,59,621.56	-	-	-
Total	-	13,55,814.14	2,03,406.76	-	18,50,233.84	27,081.18	1,67,687.04	-

Notes to the Financial Statements

For the year ended March 31, 2026

Maturity pattern as on March 31, 2025

(₹ in lakh)

Particulars	Liabilities				Assets			
	Deposits	Borrowings from banks**	Market borrowings	Foreign currency Liability #	Advance	Investments	Fixed Deposits*	Foreign currency Assets
1 to 7 Days	-	2,586.67	-	-	17,731.64	-	-	-
8 to 14 Days	-	141.00	-	-	5,461.75	-	-	-
15 Days to 30/31 Days	-	3,419.17	3,035.13	-	10,353.79	-	26,500.00	-
Over 1 month to 2 month	-	7,616.09	-	232.84	20,354.47	2,480.79	20,505.88	-
Over 2 month to 3 month	-	10,750.23	3,683.90	-	20,301.20	3,542.04	16,500.00	-
Over 3 month to 6 month	-	53,521.96	9,630.20	-	61,796.70	2,028.21	88,602.56	-
Over 6 month to 1 year	-	1,19,251.09	13,960.88	1,413.59	1,22,924.10	492.08	126.86	-
Over 1 year to 3 years	-	4,27,343.94	49,197.42	5,679.90	4,59,693.18	14,458.72	-	-
Over 3 year to 5 years	-	3,17,809.86	93,239.96	5,690.31	3,92,908.04	-	-	-
Over 5 years	-	2,69,798.95	-	7,120.39	5,22,179.20	-	-	-
Total	-	12,12,238.96	1,72,747.49	20,137.03	16,33,704.07	23,001.84	1,52,235.30	-

* Fixed deposits included in cash and bank balance other than those pledged towards first loss guarantee have been disclosed in the above table as these are considered as investment of surplus funds held by the Company for the purpose of this disclosure.

**including foreign currency borrowing

Borrowing from Banks includes a Foreign Currency Term Loan (FCTL) of USD 2.367 crore availed by converting a Rupee Term Loan (RTL) of INR 200 crores. In terms of sanction conditions, the FCTL will have short tenor with option to roll-over further or reconvert into RTL on maturity date. The reconverted RTL will be repayable as per the actual repayment terms of original schedule of RTL and in view of the same, the maturity buckets in foreign currency liability and in borrowings above has been stated on basis of repayment schedule of RTL. However, the contractual maturity of current outstanding FCTL, before conversion or roll-over on maturity, will be Over 1 month to 2 month bucket.

Notes to the Financial Statements

For the year ended March 31, 2026

45.8 Exposure

a. Exposures to real estate sector

(₹ in lakh)

Category	As at March 31, 2026	As at March 31, 2025
(A) Direct exposure-		
i) Residential mortgages :		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans upto ₹ 15 lakh : ₹ 6,73,654.10 lakh (PY ₹ 6,36,031.01 lakh)	18,27,026.46	16,13,934.04
ii) Commercial real estate :		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc). Exposure would also include non-fund based (NFB) limits. (It includes CRE-RH loans of ₹ 22,574.21 Lakh (P.Y. ₹ 19,559.72 Lakhs).	23,207.38	19,770.03
iii) Investments in mortgage backed securities (MBS) and other securitized exposures :		
(a) Residential	-	-
(b) Commercial real estate.	-	-
(B) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		
Total Exposures to real estate sector	18,50,233.84	16,33,704.07

b. Exposure to Capital Market

The Company has no exposure to capital market directly or indirectly in the current and previous year.

c. Sectoral exposure

(₹ in lakh)

Sectors	Year ended March 31, 2026			Year ended March 31, 2025		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry						
i. Micro and Small	2,77,006.67	2,221.27	0.80%	1,91,227.70	1,687.54	0.88%
Total of Industry	2,77,006.67	2,221.27	0.80%	1,91,227.70	1,687.54	0.88%
3. Services						
i. Commercial real estate*	28,114.02	104.98	0.37%	24,414.50	106.42	0.44%
Total of Services	28,114.02	104.98	0.37%	24,414.50	106.42	0.44%

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Sectors	Year ended March 31, 2026			Year ended March 31, 2025		
	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off- balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
4. Personal Loans						
i. Housing Loan (including priority sector Housing)	14,24,597.80	14,164.72	0.99%	13,00,264.04	12,796.98	0.98%
ii. Loan against property	1,95,770.00	2,885.35	1.47%	1,81,666.86	3,042.96	1.68%
Total of Personal Loans (i+ii)	16,20,367.80	17,050.07	1.05%	14,81,930.90	15,839.94	1.07%
5. Others, if any (please specify)	-	-	-	-	-	-
Total	19,25,488.49	19,376.32	1.01%	16,97,573.10	17,633.90	1.04%

*It includes CRE-RH loans of ₹ 27,422.53 lakh (PY. ₹ 24,190.01 lakh)

d. Details of financing of parent company products

There is no financing of parent company products.

e. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The company has not exceeded the Single Borrower Limit and Group Borrower Limit as prescribed by NHB during the financial year.

f. Unsecured Advances

The company has not financed any unsecured advances against intangible securities such as rights, licenses, authority etc as collateral security.

g. Exposure to group companies engaged in real estate business

The company has no exposure to group companies engaged in real estate business in current and previous year.

h. Unhedged foreign currency exposure

The Company has unhedged foreign currency exposure as on March 31, 2026 of ₹ 21.21 Lakh (PY. ₹ Nil).

45.9 Provisions and Contingencies

Break up of "Provisions and Contingencies" shown under the head Expenditure in Profit and Loss Account	Year ended March 31, 2026	Year ended March 31, 2025
1. Provisions for depreciation on investment	-	-
2. Provision made towards current tax	16,074.59	14,315.72
3. Provision towards NPA	1,140.31	1,891.95
4. Provision for Standard Assets (with details like teaser loan , CRE , CRE-RH etc.)*	985.43	331.15

*Provision for Standard Assets includes CRE of ₹ 3.08 lakh (PY ₹ (0.33) lakh) , CRE-RH of ₹ 28.07 lakh (PY ₹ (19.30) lakh) and Non CRE of ₹ 954.28 lakh (PY ₹ 350.78 lakh).

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Standard Assets				
a) Total Outstanding Amount	13,74,335.57	12,52,501.13	4,56,521.95	3,63,569.04
b) Provisions made	4,254.34	3,623.35	1,744.98	1,390.53
Sub-Standard Assets				
a) Total Outstanding Amount	6,532.42	6,519.96	2,522.24	2,547.87
b) Provisions made	1,610.24	1,543.93	621.73	603.34
Doubtful Assets - Category - I				
a) Total Outstanding Amount	3,295.18	2,607.36	1,096.28	954.06
b) Provisions made	861.82	657.77	289.82	242.27
Doubtful Assets - Category - II				
a) Total Outstanding Amount	3,078.28	2,524.47	1,157.04	966.00
b) Provisions made	1,437.64	1,062.59	526.49	389.75
Doubtful Assets - Category - III				
a) Total Outstanding Amount	1,272.08	1,122.84	329.55	248.80
b) Provisions made	1,212.07	882.49	311.99	194.58
Loss Assets				
a) Total Outstanding Amount	90.88	127.89	2.37	14.66
b) Provisions made	90.88	127.89	2.37	14.66
TOTAL				
a) Total Outstanding Amount	13,88,604.41	12,65,403.65	4,61,629.43	3,68,300.43
b) Provisions made	9,466.99	7,898.02	3,497.38	2,835.13

45.10 Draw Down from Reserves

There has been no draw down from reserves during the year ended March 31, 2026 (P.Y. Nil)

45.11 Concentration of Public Deposits , Advances , Exposures and NPAs

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Concentration of Public Deposits		
Total Deposits of twenty largest depositors	NA	NA
(%) of Deposits of twenty largest depositors to Total Deposits of the Company	NA	NA
Concentration of Advances		
Total Loans & Advances to twenty largest borrowers	5,432.68	4,883.09
(%) of Loans & Advances to twenty largest borrowers to Total Advances of the Company	0.29%	0.30%
Concentration of all Exposures (including off-balance sheet exposure)		
Total Exposures to twenty largest borrowers/Customers	6,099.20	5,386.42
(%) of Exposures to twenty largest borrowers/Customers to Total Exposures of the Company on borrowers/customers	0.32%	0.32%
Concentration of NPAs		
Total Exposures to top ten NPA accounts	797.68	690.58

Notes to the Financial Statements

For the year ended March 31, 2026

Sector-Wise NPAs

(₹ in lakh)

Sector	% of NPAs to total Advances in that sector	
	As at March 31, 2026	As at March 31, 2025
A. Housing Loans:		
1 Individuals*	1.02%	1.01%
2 Builders/Project Loans	0.01%	0.01%
3 Corporates	0.00%	0.00%
4 Others	0.00%	0.00%
B. Non Housing Loans:		
1 Individuals*	1.11%	1.28%
2 Builders/Project Loans	0.00%	0.00%
3 Corporates	0.00%	0.00%
4 Others	0.00%	0.00%

*Percentage has been computed taking the amount of Housing Loans and Non Housing Loans respectively

45.12 Movement of NPAs

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
(I) Net NPAs to Net Advances (%)	0.67%	0.73%
(II) Movement of NPAs (Gross)		
a) Opening Balance	17,633.91	13,185.78
b) Additions during the year	8,856.57	8,955.28
c) Reductions during the year	(7,114.16)	(4,507.15)
d) Closing Balance	19,376.32	17,633.91
(III) Movement of Net NPAs		
a) Opening Balance	11,914.64	9,386.62
b) Additions during the year	5,359.90	5,877.03
c) Reductions during the year	(4,863.27)	(3,349.01)
d) Closing Balance	12,411.27	11,914.64
(IV) Movement of Provisions for NPAs (excluding provisions on standard assets)		
a) Opening Balance	5,719.26	3,799.16
b) Provisions made during the year	3,496.67	3,078.25
c) Write-off/Write-Back of excess provisions	(2,250.88)	(1,158.14)
d) Closing Balance	6,965.05	5,719.27

Notes to the Financial Statements

For the year ended March 31, 2026

45.13 Overseas Assets

The Company does not have any overseas assets.

45.14 Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any off balance sheet Special Purpose Vehicle (SPV) which are required to be consolidated as per accounting norms.

45.15 Registration obtained from other Financial sector regulators

Regulator	Registration No.
Insurance Regulatory and Development Authority of India:	
As Corporate Agent (Composite)	CA0537

45.16 Disclosure of penalties imposed by NHB or RBI and any other regulator/ supervisor/ enforcement authority

During FY 2025-26, there were no penalties imposed by NHB or RBI and any other regulator/ supervisor/ enforcement authority.

45.17 Related Party Transactions

(₹ in lakh)

Related Party/ Items	Key Management Personnel		Enterprises under significant influence of the Key Management Personnel		Others		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Issue of Equity shares	4.31	3.28	-	-	-	-	4.31	3.28
Remuneration #	938.88	925.33	-	-	-	-	938.88	925.33
Share based Payment	1,418.51	656.17	-	-	-	-	1,418.51	656.17
Commission	130.80	163.50	-	-	-	-	130.80	163.50
Loan given	50.00	-	-	-	-	-	50.00	-
Loan outstanding #	49.45	26.86	-	-	-	-	49.45	26.86
Loan repaid	0.55	1.57	-	-	-	-	0.55	1.57
Interest on Loan	1.44	1.29	-	-	-	-	1.44	1.29
Contribute as a Settler (CSR)	-	-	535.12	521.06	-	-	535.12	521.06
Gratuity Contribution	-	-	-	-	*781.11	*408.67	781.11	408.67
Others payable	-	-	-	-	-	**5.33	-	5.33
Others Paid	-	-	-	-	**12.18	**52.72	12.18	52.72
Total	2,593.94	1,778.00	535.12	521.06	793.89	466.72	3,922.35	2,765.78

*Post Employment Benefit Plan

**Related Entity till June 30, 2025 in which director of the Company was director."

Maximum Amount outstanding for loan given to key management personnel during the current year is ₹ 50.00 lakh (P.Y. ₹ 28.27 lakh)

Represents short-term employee benefits

Notes to the Financial Statements

For the year ended March 31, 2026

45.18 Ratings assigned by credit rating agencies and migration of ratings during the year:

During the year, CARE Ratings and ICRA has revised outlook of company's long-term rating from Stable to Positive and reaffirm the rating at AA. Now the long-term rating of company from both these ratings agencies stands at AA/Positive. CARE, ICRA and India Ratings have reaffirmed short term credit rating of A1+ to the company during the year.

Aavas Financiers Limited Ratings are as under :

S.No.	Name of the Rating Agency	Programme	Rating Assigned	Migration of ratings during the year
1	CARE	Long Term Banking Facilities	CARE AA/ Positive	Reaffirmed; Outlook revised from Stable
		Non-Convertible Debentures	CARE AA/ Positive	Reaffirmed; Outlook revised from Stable
		Commercial Paper		Withdrawn
2	ICRA	Non- Convertible Debenture	ICRA AA/ Positive	Reaffirmed; outlook revised to Positive from Stable
		Long Term Bank Lines	ICRA AA/ Positive	Reaffirmed; outlook revised to Positive from Stable
		Commercial Paper	ICRA A1+	Reaffirmed
		PTC Securitization (Prime home Loan Trust I)	ICRA AAA(SO)	Reaffirmed
		PTC Securitization (Prime home Loan Trust II)	ICRA AAA(SO)	Reaffirmed
		PTC Securitization (Prime home Loan Trust III)	ICRA AA+(SO)	upgraded from ICRA AA(SO)
		PTC Securitization (Prime home Loan Trust IV)	ICRA AA(SO)	Reaffirmed
3	INDIA RATINGS	PTC Securitization (Prime home Loan Trust V)	ICRA AAA (SO)	New Facility Rating
		Short Term Debts	IND A1+	Reaffirmed

45.19 Intra-group exposures

There are no Intra-group exposures in the current and previous year.

45.20 Remuneration of Directors

Details of Remuneration of Directors are disclosed in Note no. 35 Related party transactions.

45.21 Net Profit or Loss for the period, prior period items and changes in accounting policies

There are no prior period items and changes in accounting policies that have impact on the current year's profit and loss.

45.22 Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

45.23 Consolidated Financial Statements (CFS)

The Company does not have any subsidiary/associate/joint venture company(ies), Hence it is not require to prepare its consolidated financial statement.

Notes to the Financial Statements

For the year ended March 31, 2026

45.24 Area of Operation

The Company is carrying on its business operations only within India. The Company does not have any overseas operation, subsidiaries, joint venture, associates, or branch outside India.

45.25 Disclosure of Complaints

(i) Summary information on complaints received from customers and from the Offices of Ombudsman

(₹ in lakh)

Sr. No	Particulars	As at March 31, 2026	As at March 31, 2025
Complaints received by the NBFC from its customers			
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	614	400
3	Number of complaints disposed during the year	614	400
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the NBFC from Office of Ombudsman			
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

(ii) Top five grounds of complaints received by the NBFCs from customers

(₹ in lakh)

Sr. No	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
		1	2	3	4	5
As at March 31, 2026						
1	Related to charges(ROI/Foreclosure/Overdue/PDC etc.)	0	185	Increased by 134%	0	0
2	Delivery of documents	0	151	Increased by 29%	0	0
3	Disbursement related	0	74	Increased by 19%	0	0
4	Overdue follow up related	0	64	Increased by 178%	0	0
5	Property papers/NOC	0	34	Increased by 36%	0	0
6	Others	0	106		0	0

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Sr. No	Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	1	2	3	4	5	6
Total		0	614		0	0
As at March 31, 2025						
1	Delivery of documents	0	117	Increased by 22%	0	0
2	Related to charges(ROI/ Foreclosure/Overdue/PDC etc.)	0	79	Increased by 44%	0	0
3	Disbursement related	0	62	Decreased by 14%	0	0
4	Post Disbursement/After closure services	0	29	Increased by 4%	0	0
5	Property papers/NOC	0	25	Increased by 9%	0	0
6	Others	0	88		0	0
Total		0	400		0	0

45.26 Diagrammatic representation of group structure

The Company does not have any subsidiary/associate/joint venture company(ies), at the end of current year and previous year.

45.27 Liquidity Risk Management Framework

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Number of significant counter parties	18	18
Amount	14,71,430.09	13,24,629.00
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities*	91.04%	92.91%

* Total liabilities excludes net worth

(ii) Top 20 large deposits

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Total amount of top 20 deposits	N/A	N/A
Percentage of amount of top 20 deposits to total deposits	N/A	N/A

Notes to the Financial Statements

For the year ended March 31, 2026

(iii) Top 10 borrowings

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Total amount of top 10 borrowings	12,25,935.17	11,19,968.49
Percentage of amount of top 10 borrowings to total borrowings	78.62%	80.86%

(iv) Funding Concentration based on significant instrument/product

(₹ in lakh)

Particulars	As at March 31, 2026	Percentage of total liabilities	As at March 31, 2025	Percentage of total liabilities
Borrowings from Banks	10,39,193.75	64.30%	8,81,574.72	61.83%
Borrowings from National Housing Bank (NHB)	2,18,594.90	13.53%	2,57,678.50	18.07%
Debt securities	1,57,075.01	9.72%	1,31,651.24	9.23%
External Commercial Borrowings (including Rupee Denominated Bonds)	26,613.78	1.65%	41,096.25	2.88%
Commercial Paper	19,717.97	1.22%	-	0.00%
Borrowings from Financial institutions	23,251.01	1.44%	27,725.70	1.94%
Subordinated liabilities	-	0.00%	-	0.00%
Securitisation	74,774.48	4.63%	32,324.77	2.27%
Borrowings from Insurance Companies	-	0.00%	3,123.65	0.22%
Cash Credit	-	0.00%	9,811.61	0.69%

(v) Stock ratio

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Commercial paper as a percentage of total public funds	1.26%	N/A
Commercial paper as a percentage of total liabilities	1.22%	N/A
Commercial paper as a percentage of total assets	0.93%	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total public funds	NA	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total liabilities	NA	N/A
Non convertible debentures (original maturity of less than one year) as a percentage of total assets	NA	N/A
Other short term liabilities as a percentage of total public funds	20.16%	18.41%
Other short term liabilities as a percentage of total liabilities	19.45%	17.88%
Other short term liabilities as a percentage of total assets	14.82%	13.70%

Notes to the Financial Statements

For the year ended March 31, 2026

(vi) Institutional set-up for liquidity risk Management

The company has an Asset Liability Management Committee (ALCO) to monitor asset liability mismatches to ensure that there is no imbalances or excessive concentration on the either side of the balance sheet. The company maintains a judicious mix of borrowings in the form of Term Loans, Refinance, Capital Market Instruments, Securitization, Working Capital and continues to diversify its source of borrowings with the emphasis on longer tenor borrowings. The company has diversified mix of investors/lenders which includes Banks, National Housing Bank, Development Financial Institution, Mutual Funds, Insurance Companies etc.

The Liquidity Risk Management (LRM) of the company is governed by the LRM Policy approved by the Board. The Asset Liability Committee (ALCO) is responsible for implementing and monitoring the liquidity risk management strategy of the company in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board.

Refer note no. 43 of financial statements.

45.28 Loans against security of shares - Nil

Refer to the note no. 5(iv) of Loans

45.29 Loans against security of single product - gold and silver jewellery - Nil

Refer to the note no. 5(v) of Loans

45.30 Liquidity Coverage Ratio (LCR)

Quarter on quarter Liquidity Coverage Ratio for the financial year ended March 31, 2026 :

(₹ in lakh)

Sr No	Particulars	As at June 30, 2025		As at September 30, 2025		As at December 31, 2025		As at March 31, 2026	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH QUALITY LIQUID ASSETS									
1	**Total High Quality Liquid Assets (HQLA)	22,634.45	22,634.45	22,700.84	22,700.84	23,202.59	23,202.59	25,942.30	25,942.30
CASH OUTFLOWS									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,137.98	1,308.68	1,759.44	2,023.36	1,042.09	1,198.40	1,739.49	2,000.41
4	Secured wholesale funding	18,480.22	21,252.26	18,141.64	20,862.88	21,493.41	24,717.43	22,612.39	26,004.25
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	18.49	21.26	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	36,159.35	41,583.25	29,033.49	33,388.51	23,635.80	27,181.17	22,881.61	26,313.85
6	Other contractual funding obligations	5,578.02	6,414.73	6,319.57	7,267.50	7,014.67	8,066.88	6,507.78	7,483.94
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	61,374.06	70,580.18	55,254.14	63,542.25	53,185.97	61,163.88	53,741.27	61,802.45

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Sr No	Particulars	As at June 30, 2025		As at September 30, 2025		As at December 31, 2025		As at March 31, 2026	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
CASH INFLOWS									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	35,457.60	26,593.20	36,292.17	27,219.13	37,202.07	27,901.55	38,448.18	28,836.13
11	Other cash inflows	1,04,106.69	78,080.02	96,601.33	72,451.00	85,386.92	64,040.19	92,490.37	69,367.78
12	TOTAL CASH INFLOWS	1,39,564.29	1,04,673.22	1,32,893.50	99,670.13	1,22,588.99	91,941.74	1,30,938.55	98,203.91
		TotalAdjustedValue		TotalAdjustedValue		TotalAdjustedValue		TotalAdjustedValue	
13	TOTAL HQLA		22,634.45		22,700.84		23,202.59		25,942.30
14	TOTAL NET CASH OUTFLOWS		17,645.04		15,885.56		15,290.97		15,450.61
15	LIQUIDITY COVERAGE RATIO (%)		128.28%		142.90%		151.74%		167.90%

**Component of HQLA

(₹ in lakh)

Sr No	**High Quality Liquid Assets (HQLA)	As at June 30, 2025		As at September 30, 2025		As at December 31, 2025		As at March 31, 2026	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any Haircut	22,634.45	22,634.45	22,700.84	22,700.84	23,202.59	23,202.59	25,942.30	25,942.30
2	Assets to be considered For HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered For HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-

Quarter on quarter Liquidity Coverage Ratio for the financial year ended March 31, 2025 :

(₹ in lakh)

Sr No	Particulars	As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH QUALITY LIQUID ASSETS									
1	**Total High Quality Liquid Assets (HQLA)	20,212.62	20,212.62	23,125.18	23,125.18	20,972.61	20,972.61	22,028.79	22,028.79
CASH OUTFLOWS									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	1,172.08	1,347.89	325.77	374.64	1,140.39	1,311.45	310.40	356.96
4	Secured wholesale funding	15,518.63	17,846.43	29,684.99	34,137.74	18,806.00	21,626.89	19,942.02	22,933.32
5	Additional requirements, of which	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Sr No	Particulars	As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	1.77	2.04	-	-
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	36,887.84	42,421.02	25,108.86	28,875.19	27,114.37	31,181.52	35,534.93	40,865.17
6	Other contractual funding obligations	5,397.25	6,206.84	5,891.31	6,775.00	6,236.41	7,171.88	5,733.33	6,593.33
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	TOTAL CASH OUTFLOWS	58,975.80	67,822.18	61,010.93	70,162.57	53,298.94	61,293.78	61,520.68	70,748.78
CASH INFLOWS									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	30,520.57	22,890.43	31,282.79	23,462.09	32,193.06	24,144.80	33,483.80	25,112.85
11	Other cash inflows	1,06,672.52	80,004.39	1,25,303.03	93,977.27	97,812.82	73,359.62	1,09,470.74	82,103.06
12	TOTAL CASH INFLOWS	1,37,193.09	1,02,894.82	1,56,585.82	1,17,439.36	1,30,005.88	97,504.42	1,42,954.54	1,07,215.91
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13	TOTAL HQLA	20,212.62		23,125.18		20,972.61		22,028.79	
14	TOTAL NET CASH OUTFLOWS	16,955.55		17,540.64		15,323.44		17,687.19	
15	LIQUIDITY COVERAGE RATIO (%)	119.21%		131.84%		136.87%		124.55%	

(₹ in lakh)

Sr No	**High Quality Liquid Assets (HQLA)	As at June 30, 2024		As at September 30, 2024		As at December 31, 2024		As at March 31, 2025	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1	Assets to be included as HQLA without any Haircut	20,212.62	20,212.62	23,125.18	23,125.18	20,972.61	20,972.61	22,028.79	22,028.79
2	Assets to be considered For HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered For HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

Qualitative Disclosure of LCR

The Reserve bank of India (RBI) vide Reserve Bank of India (Housing Finance Companies) Directions, 2025 issued by circular DoR.FIN.REC.284/03-10-119/2025-26 dated November 28, 2025 as updated from time to time ("RBI HFC Directions") read with Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 issued by circular DoR.LRG.REC.No.274/13-10-004/2025-26 dated November 28, 2025 as updated from time to time ("RBI ALM Directions") has issued a comprehensive framework/guidelines for Asset Liability Management (ALM) including Liquidity Coverage Ratio (LCR) applicable to Housing Finance Companies (HFCs). The objective of the guidelines within the RBI ALM Directions is to ensure that HFCs maintains a liquidity buffer in terms of LCR in addition to various process related aspects of liquidity risk management framework. LCR has to be maintained in the form sufficient unencumbered High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for subsequent 30 calendar days. LCR is one of the key parameters closely monitored by RBI to enable a more resilient financial sector.

The liquidity risk management including LCR of the Company is governed by the Liquidity Risk Management (LRM) Policy approved by the board. The Asset Liability Committee (ALCO) is responsible for managing the LCR of the Company in line with the LRM Policy. Company regularly reviews the position of inflows, outflows and the liquidity buffers and ensures maintenance of sufficient quantum of High Quality Liquid Assets.

For computation of stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, stressed cash inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%. Finally, Net Cash Outflow is arrived by deducting the stressed cash inflows from stressed cash outflow. However, total net cash outflows will be subjected to a minimum of 25% of total stressed cash outflows. The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days.

Cash outflow under secured wholesale funding majorly includes contractual obligations under Term loans, NHB Re-Finance, NCDs, Interest payable within next 30 days. Outflow under credit and liquidity facilities, the Company considers the expected cash outflow of the committed credit facilities contracted with the customers. Outflow under other contractual funding obligations primarily includes outflow on account of expected operating expenses and other dues. In Inflows from fully performing exposures, Company considers the collection from performing advances in next 30 days. Other Cash inflows includes investments in mutual funds, FDs which can be liquidate within 30 days including interest receivable thereon. Company has no meaningful currency mismatch in LCR and Company is not expecting any cash outflow within next 30 days on account of derivative exposure and potential collateral requirement. For concentration of funding sources refer disclosure on the Liquidity Risk Management Framework.

As on March 31, 2026 most of the HQLAs of the Company are in the form of unencumbered government securities and unencumbered Cash and Bank balances. The Average LCR for the quarter ended March 31, 2026 was 167.90%, which is well above present prescribed minimum requirement of 100%. The average HQLA for the quarter ended March 31, 2026, was ₹ 25,942.30 Lakh. During the same period the composition of Government securities in the HQLA was 93.67% for the quarter ended March 31, 2026.

45.31 Policy for sales out of amortised cost business model portfolios

Refer Note No. 1.14.1.6

45.32 Principal Business Criteria for HFCs

Housing finance Company" shall mean a Company incorporated under the Companies Act, 2013 that fulfils the following conditions:

- It is an NBFC whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets).
- Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing financing for individuals.

RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26 Reserve Bank of India (Housing Finance Companies) Directions, 2025. The Company meets the aforesaid principal business criteria for HFCs.

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Assets*	20,72,698.06	18,22,805.93
Less: Intangible assets	(5,429.64)	(5,201.46)
Net total Assets	20,67,268.42	18,17,604.47
Housing Finance	13,79,137.41	12,57,505.63
Individual Housing Finance	13,56,569.62	12,37,920.74
Percentage of housing finance to total assets (netted off intangible assets)	66.71%	69.18%
Percentage of individual housing finance to total assets (netted off intangible assets)	65.62%	68.11%
Percentage of individual housing finance to housing finance	98.36%	98.44%

*Total Assets excludes Net receivable on assigned loans

45.33 The comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments' is as below:

(₹ in lakh)

Asset Classification as per RBI Norms	As at March 31, 2026					
	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions taken as IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	17,25,127.00	3,488.23	17,21,638.77	5,133.61	(1,645.38)
	Stage 2	23,428.52	2,336.59	21,091.93	563.75	1,772.84
Subtotal		17,48,555.52	5,824.82	17,42,730.70	5,697.36	127.46
Non-Performing Assets (NPA)						
Substandard	Stage 3	8,937.29	2,203.04	6,734.25	1,343.09	859.95
Doubtful - up to 1 year	Stage 3	4,340.84	1,137.77	3,203.07	1,146.55	(8.78)
1 to 3 years	Stage 3	4,175.20	1,942.03	2,233.17	1,713.43	228.60
More than 3 years	Stage 3	1,536.90	1,466.17	70.73	1,540.92	(74.75)
Subtotal for doubtful		10,052.94	4,545.97	5,506.97	4,400.90	145.07
Loss	Stage 3	93.25	93.25	0.00	93.36	(0.11)
Subtotal for NPA		19,083.48	6,842.26	12,241.22	5,837.35	1,004.91
Other items such as loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	2,05,237.05	412.56	2,04,824.49	-	412.56
	Stage 2	813.05	73.67	739.38	-	73.67
	Stage 3	571.15	193.92	377.23	-	193.92
Subtotal		2,06,621.25	680.15	2,05,941.10	-	680.15
Total	Stage 1	19,30,364.05	3,900.79	19,26,463.26	5,133.61	(1,232.82)
	Stage 2	24,241.57	2,410.26	21,831.31	563.75	1,846.51
	Stage 3	19,654.63	7,036.18	12,618.45	5,837.35	1,198.83
	Total	19,74,260.25	13,347.23	19,60,913.02	11,534.71	1,812.52

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

As at March 31, 2025						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions taken as IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	15,59,582.97	2,288.50	15,57,294.47	4,564.69	(2,276.19)
	Stage 2	23,761.34	2,648.61	21,112.73	668.06	1,980.55
Subtotal		15,83,344.31	4,937.11	15,78,407.20	5,232.75	(295.64)
Non-Performing Assets (NPA)						
Substandard	Stage 3	8,927.40	2,114.01	6,813.39	1,351.80	762.21
Doubtful - up to 1 year	Stage 3	3,506.67	886.88	2,619.79	962.22	(75.34)
1 to 3 years	Stage 3	3,410.84	1,411.01	1,999.83	1,418.86	(7.85)
More than 3 years	Stage 3	1,336.80	1,045.19	291.61	1,340.54	(295.35)
Subtotal for doubtful		8,254.31	3,343.08	4,911.24	3,721.62	(378.54)
Loss	Stage 3	142.55	142.55	-	142.55	-
Subtotal for NPA		17,324.26	5,599.64	11,724.63	5,215.97	383.67
Other items such as loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	1,34,679.52	192.36	1,34,487.16	-	192.36
	Stage 2	872.88	76.87	796.01	-	76.87
	Stage 3	541.14	175.66	365.48	-	175.66
Subtotal		1,36,093.54	444.89	1,35,648.65	-	444.89
Total	Stage 1	16,94,262.49	2,480.86	16,91,781.63	4,564.69	(2,083.83)
	Stage 2	24,634.22	2,725.48	21,908.74	668.06	2,057.41
	Stage 3	17,865.40	5,775.30	12,090.11	5,215.97	559.34
	Total	17,36,762.11	10,981.64	17,25,780.48	10,448.71	532.92

Notes to the Financial Statements

For the year ended March 31, 2026

45.34 Schedule to the Balance Sheet of an HFC

(₹ in lakh)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side				
(1) Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	1,56,626.97	-	1,31,651.24	-
: Unsecured	27,061.82	-	41,096.25	-
(other than falling within the meaning of public deposits)				-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	12,81,039.66	-	11,70,102.57	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	19,717.97	-	-	-
(f) Public Deposits	NA	-	NA	-
(g) Other Loans (Cash credit, Securitization and Subordinated Liabilities)	74,774.48	-	42,136.39	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of Unsecured debentures	NA	NA	NA	NA
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA	NA	NA
(c) Other public deposits	NA	NA	NA	NA

(₹ in lakh)

Assets side	As at March 31, 2026	As at March 31, 2025
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	18,50,233.84	16,33,704.07
(b) Unsecured	-	-
(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

Assets side	As at March 31, 2026	As at March 31, 2025
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(5) Break-up of Investments		
Current Investments		
1. Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	6,674.14	6,062.33
(v) Treasury Bills	-	2,480.79
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Treasury Bills	-	-
Long Term investments		
1. Quoted		
(i) Share		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	20,407.04	14,458.73
(v) Others	-	-
2. Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

As at March 31, 2026		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	49.40	-	49.40
2.	Other than related parties	18,37,220.07	-	18,37,220.07
Total		18,37,269.47	-	18,37,269.47
As at March 31, 2025		Amount net of provisions		
		Secured	Unsecured	Total
1.	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	16,22,970.93	-	16,22,970.93
Total		16,22,970.93	-	16,22,970.93

(₹ in lakh)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at March 31, 2026		As at March 31, 2025	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
2.	Other than related parties	-	-	-
Total		-	-	-

Notes to the Financial Statements

For the year ended March 31, 2026

(₹ in lakh)

(8) Other information

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	19,376.32	17,633.90
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	12,411.27	11,914.64
(iii) Assets acquired in satisfaction of debt	-	-

45.35 Transfer of loan exposures

(a) Details of transfer through assignment in respect of loans not in default during the year.

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of loan accounts assigned	18,582 Loans	17,783 Loans
Amount of loan accounts assigned	INR 1,86,349.68 Lakh	1,69,178.29 lakh
Weighted average maturity	130 months	131 months
Weighted average holding period	9 month	9 month
Retention of beneficial economic interest (MRR)	10%	10%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	Unrated	Unrated

(b) The Company has not transferred or acquired, any stressed loans during the year.

(c) The Company has not acquired, any loans not in default during the year.

(d) Details of transfer through Co-lending in respect of loans not in default during the year ended March 31, 2026.

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of loan accounts assigned	1,463 Loans	840 Loans
Amount of loan accounts assigned	INR 24,994.72 lakh	12,602.47 lakh
Weighted average maturity	215 months	182 months
Weighted average holding period	8 month	2 Months
Retention of beneficial economic interest (MRR)	20%	20%
Coverage of tangible security coverage	100%	100%
Rating wise distribution of rated loans	Unrated	Unrated

Notes to the Financial Statements

For the year ended March 31, 2026

45.36 Loans to Directors, Senior Officers and relatives of Directors

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	75.29	282.06

45.37 Breach of covenants

The Company has complied with all the material covenants of borrowing facilities throughout the year ended March 31, 2026 and March 31, 2025.

45.38 Currency futures

The Company has not undertaken any transaction in currency future during the current year and previous year.

45.39 Credit Default Swaps

The Company has not undertaken any transaction in credit default swaps during the current year and previous year.

45.40 Project finance

The Company has not undertaken any project finance activities during the current year and previous year.

45.41 Divergence in Asset Classification and Provisioning

There has been no divergence in asset classification and provisioning requirements as assessed by NHB during the year ended March 31, 2026 and March 31, 2025.

45.42 Non-fund based (NFB) credit facilities

The Company has not provided any non-fund based (NFB) credit facilities during the current year and previous year.

45.43 Currency option

The Company has not undertaken any transaction in currency option during the current year and previous year.

45.44 Co-lending arrangement

The Company has not undertaken any co-lending transactions on or after the effective date i.e. January 01, 2026

45.45 Off-balance sheet exposures and structured products

The Company does not have any structured products as at the reporting date. Details of the Company's off-balance sheet exposures are disclosed in note no. 5(iii).

45.46 The company is not granting any loans against intangible securities such as charge over the rights, licenses, authority, etc.

Notes to the Financial Statements

For the year ended March 31, 2026

46 Disclosures required by the Reserve Bank of India as per DOR.CRE.REC.No.388/21.04.018/2025-26 dated January 05, 2026 - Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, Amendment Directions, 2026.

Exposures to Related Parties

(₹ in lakh)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A. Loans to Related Parties		
Aggregate value of loans sanctioned to related parties during the year	50.00	-
Aggregate value of outstanding loans to related parties as on 31 st March	49.45	26.86*
Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31 st March	0.00%	0.00%
Aggregate value of outstanding loans to related parties which are categorized as		
i) Special Mention Accounts as on 31 st March	-	-
ii) Non-Performing Assets as on 31 st March	-	-
Coverage of tangible security coverage	100%	100%
Amount of provisions held in respect of loans to related parties as on 31 st March	0.05	0.02*
B. Contracts and Arrangements involving Related Parties		
Aggregate value of contracts and arrangements awarded to related parties during the year	-	-
Aggregate value of outstanding contracts and arrangements involving related parties as on 31 st March	-	-

*Mr. Sharad Pathak resigned from the post of Company Secretary and Compliance Officer, w.e.f. closing hours of January 30, 2025

47 Additional Regulatory Information

47.1 There is no immovable property whose title deeds are not held in the name of the Company in current year and previous year.

47.2 There are no investment property as on March 31, 2026 (P.Y. ₹ Nil).

47.3 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 in current year and previous year.

47.4 The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 in current year and previous year.

47.5 No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) as amended and rules made thereunder in current year and previous year.

47.6 The Company has not taken borrowings from banks or financial institutions on the basis of security of current assets in current year and previous year.

46.7 The Company has not been declared wilful defaulter by any bank or financial Institution or other lender in current year and previous year.

47.8 The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes to the Financial Statements

For the year ended March 31, 2026

47.9 No charges or satisfaction yet to be registered with ROC beyond the statutory period.

47.10 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

47.11 No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

47.12 Utilisation of Borrowed funds and share premium

- (a) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in current year and previous year to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:-
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (b) The Company has not received any fund in current year and previous year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :-
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

47.13 There are no transaction or undisclosed income that need to be disclosed in accordance with the provision of Income Tax Act, 1961 in current year and previous year.

47.14 The Company has not traded or invested in Crypto currency or Virtual Currency during current year and previous year.

48 Previous year figures have been regrouped/ reclassified wherever applicable. The impact, if any, are not material to Financial Statements.

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Tushar Kurani

Partner
Membership No. 118580

Place: Mumbai

Date: May 05, 2026

For Borkar & Muzumdar

Chartered Accountants
ICAI Firm Registration No. 101569W

Brijmohan Agarwal

Partner
Membership No. 033254

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

Sandeep Tandon

(Chairperson and
Independent Director)
DIN-00054553

Ghanshyam Rawat

(President and Chief
Financial Officer)

Manu Yeshpal Singh

Chief Executive Officer

Saurabh Sharma

(Company Secretary &
Compliance Officer)
ACS-60350



AAVAS FINANCIERS LIMITED

CIN: L65922RJ2011PLC034297

Registered and Corporate Office: 201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India

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E-mail: investorrelations@aavas.in | Website: www.aavas.in

Dear Member(s),

NOTICE is hereby given that the **16th Annual General Meeting** ("AGM") of the Members of Aavas Financiers Limited ("the Company") will be held on **Wednesday, September 16, 2026 at 03:00 P.M.**, Indian Standard Time ("IST") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2026, together with the reports of the Board of Directors and Auditors thereon.

2. TO APPOINT MR. NIKHIL OMPRAKASH GAHROTRA, (DIN: 01277756), AS DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.

3. TO APPOINT MRS. NEHA SUREKA (DIN: 10759936), AS DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HERSELF FOR RE-APPOINTMENT.

4. TO CONSIDER AND APPROVE REMUNERATION OF JOINT STATUTORY AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2026-27:

"**RESOLVED THAT** in accordance with the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Audit and Auditors) Rules, 2014 and the Guidelines for Appointment of Statutory Central Auditors

("SCAs")/Statutory Auditors ("SAs") of Commercial Banks (excluding RRBs), UCBs and NBFCs (including Housing Finance Companies) dated April 27, 2021 issued by the Reserve Bank of India ("RBI") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company's Policy on Appointment of Statutory Auditors and with reference to the resolution passed by the Members in the 14th Annual General Meeting held on August 07, 2024, for appointment of Joint Statutory Auditors and fixing their remuneration thereon and as recommended by the Audit Committee and the Board of Directors of the Company, M/s. M S K A & Associates LLP, Chartered Accountant (FRN: W101187) and M/s. Borkar & Muzumdar, Chartered Accountant (FRN: 101569W), who were appointed as Joint Statutory Auditors of the Company for a period of 3 (Three) consecutive years (until the conclusion of the 17th AGM of the Company to be held in the calendar year 2027) be paid the remuneration of upto ₹ 150 Lakh (Rupees One Hundred and Fifty Lakh only) for Limited Review, Statutory Audit, Tax Audit, Certain Regulatory Certifications in addition to any out-of-pocket expenses, applicable taxes, reimbursements, and other outlays as applicable for the Financial Year 2026-27, payable in one or more installments.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary and Compliance Officer and the Audit Committee, be and are hereby severally authorised to decide and finalise the proportion of remuneration of the Joint Statutory Auditors on the basis of allocation of work and to do all other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

SPECIAL BUSINESSES:

5. TO RATIFY AND CONFIRM THE PAYMENT OF REMUNERATION TO MR. SACHINDERPALSINGH JITENDRASINGH BHINDER, FORMER MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY.

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof, for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, the Members of the Company hereby ratify and confirm the remuneration paid to Mr. Sachinderpalsingh Jitendrasingh Bhinder in Financial Year 2026-2027, aggregating to ₹ 5,72,65,432 (Indian Rupees Five Crore Seventy Two Lakh Sixty Five Thousand Four Hundred Thirty Two only), towards the services rendered by him during his tenure as the Managing Director and Chief Executive Officer of the Company.

RESOLVED FURTHER THAT, the Board of Director and/or the Company Secretary and Compliance Officer (each, an “Authorized Signatory”) of the Company, be and are hereby severally authorized to do all acts, deeds, matters and give such directions as may be required, necessary, expedient or desirable for and on behalf of the Company to give effect to this resolution, and give such directions as may be necessary to settle any question or difficulty that may arise in giving effect to this resolution, without being required to seek any further consent or approval of the Members of the Company.”

6. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. VIVEK ANANT KARVE (DIN: 06840707) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”), and Regulation 17(1C)(a) and 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI (LODR)

Regulations, 2015”) and other applicable provision of SEBI (LODR) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Reserve Bank of India (Housing Finance Companies) Directions, 2025 (“HFC Directions”) read with Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 (“Governance Directions”), the Articles of Association of the Company and based on recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vivek Anant Karve, (DIN: 06840707), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from June 23, 2026, and who has submitted declaration that he meets the criteria of independence as mentioned in Section 149(6) of the Act, and Regulation 16(1)(b) & 25 (8) of the SEBI (LODR) Regulations, 2015 and is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and in respect of whom the Company has received notice in writing pursuant to Section 160 of the Act in the prescribed manner proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company for a period of 5 (Five) consecutive years with effect from June 23, 2026 up to June 22, 2031 (both days inclusive), not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Vivek Anant Karve, (DIN: 06840707) shall be paid such fees as may be determined by the Board of Directors from time to time, and subject to such limits as approved by the Members of the Company via postal ballot dated November 06, 2023 or within such other limit as may be approved by the Members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority.”

7. TO CONSIDER AND APPROVE THE APPOINTMENT OF MR. VELLUR GOPALARAGHAVAN KANNAN (DIN: 03443982) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”), and Regulation 17(1C)(a) and 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI (LODR) Regulations, 2015”) and other applicable provision of SEBI (LODR) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Reserve Bank of India (Housing Finance Companies) Directions, 2025 (“HFC Directions”), Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions, 2025 (“Governance Directions”) and the Articles of Association of the Company and based on recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vellur Gopalaraghavan Kannan, (DIN: 03443982), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from August 01, 2026, and who has submitted declaration that he meets the criteria of independence as mentioned in Section 149(6) of the Act, and Regulation 16(1)(b) & 25 (8) of the SEBI (LODR) Regulations, 2015 and is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and in respect of whom the Company has received notice in writing pursuant to Section 160 of the Act in the prescribed manner proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company for a period of 5 (Five) consecutive years with effect from August 01, 2026 up to July 31, 2031 (both days inclusive), not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and other applicable provisions of the Act and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Vellur Gopalaraghavan Kannan, (DIN: 03443982) shall be paid such fees as may be determined by the Board of Directors from time to time, and subject to such limits as approved by the Members

of the Company via postal ballot dated November 06, 2023 or within such other limit as may be approved by the Members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority.”

8. TO CONSIDER AND APPROVE THE INCREASE IN THE BORROWING POWERS IN EXCESS OF PAID-UP SHARE CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of all the earlier resolution(s) passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the applicable directions/ guidelines issued by the Reserve Bank of India (“RBI”) or National Housing Bank (“NHB”) and the relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers including the powers conferred by this resolution) to borrow from time to time such sum or sums of money as it may deem requisite for the purpose of business of the Company not exceeding ₹ 38,000 crore (Rupees Thirty Eight Thousand Crore only) (including the money already borrowed by the Company and remaining outstanding) in Indian Rupees

or in any equivalent thereof in foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of charge or by way of creating interest, or lien or mortgage or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including stock in trade ("receivables"), notwithstanding that the money to be borrowed together with the money already borrowed by the Company and remaining outstanding (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) at any given time, exceed the aggregate, for the time being, of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium, provided that the total borrowing limit shall be within the limits prescribed under the Reserve Bank of India (Housing Finance Companies) Directions, 2025.

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money not exceeding ₹ 38,000 crore (Rupees Thirty Eight Thousand Crore only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the money already borrowed by the Company and remaining outstanding) on such terms and conditions as the Board may deem fit, by way of Term Loans, Cash Credit, issue of Debentures/ Bonds/ Commercial Paper/Triparty Repo ("TREPS") or other securities or instruments with or without detachable or non-detachable warrants or warrants of any other kind, bonds, external commercial borrowings or other debt instruments, or otherwise and with or without security and upon such terms and conditions as may be considered suitable by the Board, from various Bank(s), Financial Institution(s) and/or Mutual Fund(s), Non-Resident Indians ("NRIs"), Foreign Institutional Investors ("FIIs") or any other Person(s), Body(ies) Corporate, etc other lender(s), whether securities holders of the Company or not or such other person(s) as the Board may decide.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors and/or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to arrange or finalize the terms and conditions of all such borrowings, from time to time, viz. terms as to interest,

repayment, security or otherwise as it may deem fit and to sign and execute all such documents, agreements and writings and do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable."

9. TO CONSIDER AND APPROVE THE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013, TO SECURE BORROWINGS MADE/TO BE MADE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolution(s) passed in this regard and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and relevant provisions of the Articles of Association of the Company, and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted to exercise its powers including the powers conferred by this resolution) to create charge by way of mortgage (s) and / or hypothecate and / or lien or otherwise on any of movable and / or immovable properties / assets of the Company including receivables in the form of book debts, wherever situated both present and future or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, to or in favour of any Bank(s) or Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians ("NRIs"), Foreign Institutional Investors ("FIIs") or Body(ies) Corporate or

person(s), whether securities holders of the Company or not, to secure the borrowing facility availed by way of issue of security or term loan or otherwise together with interest, cost, charges and expenses thereon for amount not exceeding ₹ 38,000 crore (Rupees Thirty Eight Thousand Crore only) at any point of time (including the money already borrowed by the Company and remaining outstanding and in excess of the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium).

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank exclusive/prior/ pari-passu/subsequent with/to the hypothecation/ mortgages/lien and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

10. TO CONSIDER AND APPROVE THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES, IN ONE OR MORE TRanches ON PRIVATE PLACEMENT BASIS.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any amendments, statutory modification(s) and/or re-enactment(s) thereof for the time being in force) the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Master circular dated October 15, 2025, for issue and listing of

Non-convertible Securities, (as amended from time to time), Guidelines on Private Placement of Non-Convertible Debentures (“NCDs”) prescribed under the Reserve Bank of India (Housing Finance Companies) Directions, 2025 and other applicable regulations and guidelines (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and subject to applicable laws, rules and regulations and guidelines, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board, constituted / to be constituted / reconstituted including the powers conferred by this resolution) for making offers and / or invitations and / or issue and/or allot, in one or more tranches/ series, Listed/Unlisted Non-Convertible Debentures (“NCDs”), whether secured or unsecured, including but not limited to subordinate debentures, bonds, and/or other debt securities as per section 2(30) of the Act on private placement basis, during the period of 1 (one) year from the date of passing of the Special Resolution by the Members in this Annual General Meeting, for amount not exceeding ₹9,000 crore (Rupees Nine Thousand Crore only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s), including to one or more Company(ies), body(ies) corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so, for onward lending business of the Company and general corporate purposes and on the following terms:

- (i) The Board shall have the sole discretion to deal with the unsubscribed portion of the Debenture Issue on such terms and conditions as it may deem fit.
- (ii) The Company shall issue the NCDs for deployment of funds on its own balance sheet and not to facilitate the resource requests of group entity/ parent company/associates.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as approved or may be approved by the Members of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to

do all acts, deeds, matters and things and execute all documents and give such directions as may be required, necessary, expedient or desirable in connection with or incidental thereto, with power to settle all questions, difficulties or doubts, that may arise, in its sole discretion as deem fit and necessary, filing of the requisite forms and documents for and on behalf of the Company in connection therewith with any person, statutory and/or governmental authority.”

By order of the Board of Directors
For Aavas Financiers Limited

Sd/-

Saurabh Sharma

Company Secretary and Compliance Officer
(Membership No.: ACS - 60350)

Date: August 18, 2026

Place: Jaipur

Registered and Corporate Office:

201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India

CIN: L65922RJ2011PLC034297

Tel: +91 141-4659221

E-mail: investorrelations@aavas.in

Website: www.aavas.in

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning Special Businesses under Item Nos. 5 to 10 of the accompanying Notice, is annexed hereto. The Board of Directors have considered that the Special businesses under Item Nos. 5 to 10 being considered unavoidable, be transacted at the 16th Annual General Meeting ("AGM") of the Company to be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

2. In view of General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 as extended from time to time and last extended vide General Circular No. 03/2025 dated September 22, 2025 (Collectively referred as "MCA Circulars"), issued by the Ministry of Corporate Affairs ("MCA") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 (Collectively referred as "SEBI Circulars") issued by the Securities and Exchange Board of India ("SEBI") MCA and SEBI Circulars referred to as ("the Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"), the Notice of the 16th AGM along with the Annual Report for the Financial Year 2025-26 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/RTA/Depositories Participant. Additionally in accordance with Regulation 36(1) (b) of the SEBI (LODR) Regulations, 2015, the Company is also sending a letter to Members whose e-mail addresses are not registered with Company/RTA/Depositories Participant, providing the weblink of Company's website from where the Annual Report for the Financial Year 2025-26 can be accessed.

The 16th AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 16th AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/OAVM facility, the Route Map, proxy form and attendance slip are not annexed to this Notice.

3. The Members can join the AGM through VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available

for 1,000 members on first come first serve basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

4. This is to inform that as physical presence of Members has been dispensed with for attending the Meeting through VC/OAVM Facility, therefore there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 16th AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the 16th AGM through VC/OAVM Facility and participate there at and cast their votes through e-Voting.
5. Attendance of the Members participating in the 16th AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (LODR) Regulations, 2015 and the circulars, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the 16th AGM. For this purpose, the Company has entered into an arrangement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as voting on the date of the 16th AGM will be provided by NSDL.
7. The manner of voting remotely by Members including the Members who have not registered their e-mail addresses is provided in the instructions for e-Voting section which forms the part of this Notice.
8. The Notice and Annual Report of the 16th AGM will also be available on Company's website at www.aavas.in, the websites of the Stock Exchanges i.e. BSE Limited www.bseindia.com and National Stock Exchange of India Limited www.nseindia.com, and the website of NSDL at www.evoting.nsdl.com.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and the certificate from Secretarial Auditors of the Company pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

will be available electronically for inspection by the Members during the 16th AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM and during the AGM Members seeking to inspect such documents can send an e-mail to investorrelations@aavas.in.

10. The Board of Directors of the Company ("the Board") has appointed Mr. Rupesh Agarwal (Membership No. A16302, COP No. 5673), failing him, Mr. Shashikant Tiwari (Membership No. F11919, COP No. 13050), failing him, Mr. Lakhan Gupta (Membership No. F12682, COP No. 26704) Practicing Company Secretaries and Partners of M/s. Chandrasekaran Associates as the Scrutinizer, to scrutinize the remote e-Voting process as well as e-Voting process during the AGM in a fair & transparent manner.
11. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-Voting (i.e. votes cast during the AGM and votes cast through remote e-Voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or any other person authorized by him in writing, who shall countersign the same. The results will be announced within 2 working days or 3 days, whichever is earlier, from the conclusion of the 16th AGM.
12. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.aavas.in and on the website of NSDL at www.evoting.nsdl.com and also shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company's equity shares are listed and be made available on their respective websites. The Company will also display the results at its Registered Office.
13. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting ("SS-2") of ICSI, in respect of the Directors seeking Appointment/Reappointment at the 16th AGM, forms integral part of the Notice of the 16th AGM as **Annexure-1**. Requisite declarations have been received from the Directors for seeking Appointment/Reappointment.
14. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication and documents including Annual Reports from time to time in electronic form to the e-mail address provided by the Members. Members may send such communication to their respective Depository Participants (DPs) as per the procedure given later in the Notes.
15. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may contact their respective DPs for recording their Nomination.
16. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number ("PAN"), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs.
18. Members are requested to contact MUFG Intime India Private Limited, Registrar to an issue and Share Transfer Agent ("RTA") of the Company, in case of any change of address or queries relating to their shares at the information given below-

MUFG Intime India Private Limited
Address: C-101, 1st floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083 Maharashtra, India
Tel: +91 8108116767
Website: www.in.mpms.mufig.com
Link to register queries- https://web.in.mpms.mufig.com/helpdesk/Service_Request.html
19. MUFG Intime India Private Limited has implemented below investor initiatives as part of their constant endeavor to enhance investor servicing:
 - a. 'SWAYAM' is a secure, user-friendly web-based application developed by our RTA, that empowers investors to effortlessly access various services. Investors are requested to get registered on this application which can be accessed at <https://swayam.in.mpms.mufig.com/>.
 - b. 'iDIA' is a Chatbot developed by our RTA that utilizes conversational technology to provide investors with a round-the-clock intuitive platform to ask questions and get information about queries. Talk to iDIA by logging in to <https://web.in.mpms.mufig.com>.
 - c. FAQs –The FAQ section on the RTA's website has very detailed answers to almost all probable investor queries. Please visit <https://in.mpms.mufig.com/> to find answers to your queries related to securities.

20. Members desirous of obtaining any information/ clarification relating to the accounts are requested to submit their query in writing to the Company well in advance so as to enable the Management to keep the information ready.
21. Members who would like to express their views/ ask questions as a speaker during the Meeting may pre-register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, PAN, e-mail ID, mobile number at investorrelations@aavas.in till September 09, 2026, before 5:00 P.M. (IST), only those Members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_ IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting options to resolve their grievances with the RTA/ Company directly or through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login> and the same can also be accessed through the Company's website at www.aavas.in.

23. Instructions for Members for remote e-Voting, and joining the 16th AGM are as under:

- a. The remote e-Voting period will commence on Friday September 11, 2026 (9:00 A.M. IST) and ends on Tuesday September 15, 2026 (5:00 P.M. IST). During this period, Members of the Company, holding shares as on the cut-off date i.e. as on Wednesday September 09, 2026, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to subsequently change it. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date.
- b. A person who is not a Member as on the cut-off date should treat this Notice of 16th AGM for information purpose only.

- c. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 16th AGM and holds shares as on the cut-off date i.e. on Wednesday September 09, 2026, may obtain the user ID and password by sending a request to e-mail address evoting@nsdl.com. However, if Member is already registered with NSDL for remote e-Voting then such Member can use his/her existing user ID and password for casting his/her vote. In the case of forgot password, the same can be reset by using "Forgot User Details/Password?" or "Physical User Reset Password" option available on www.evoting.nsdl.com.
- d. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- e. Institutional Investors (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said resolution/authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to shashikant@cacsindia.com / rupesh@cacsindia.com / lakhan@cacsindia.com with a copy marked to evoting@nsdl.com.
- f. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or send a request at evoting@nsdl.com or contact to Ms. Pallavi Mhatre, Deputy Vice President, National Securities Depository Ltd., 301, 3rd Floor, Naman Chambers, G Block, Plot No- C-32, Bandra Kurla Complex, Bandra East, Mumbai- 400051, at the designated e-mail IDs: evoting@nsdl.com or call at: 022 – 4886 7000 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's e-mail address investorrelations@aavas.in.

- g. The details of the process and manner for remote e-Voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- Login method for Individual Shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911.

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

in process for those shareholders whose email ids are not registered.

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shashikant@cacsindia.com / rupesh@cacsindia.com / lakhan@cacsindia.com with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (“FAQs”) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, National Securities Depository Ltd. at evoting@nsdl.com.

24. Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card) AADHAR (self attested scanned copy of Aadhar Card) by e-mail to investorrelations@aavas.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investorrelations@aavas.in. If you are an Individual Shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Shareholder holding securities in demat mode.**
3. Alternatively Shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies,

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

25. The instructions for Members for e-Voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

26. Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting**

system. After successful login, you can see link of “VC/OAVM” placed under “Join Meeting” menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, e-mail id, mobile number at investorrelations@aavas.in. The same will be replied by the Company suitably.

27. Transcript of AGM

The transcript of the AGM shall be made available on the website of the Company at <https://www.aavas.in/investor-relations/outcome>.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The following statements sets out all material facts relating to the Special Businesses mentioned under Resolution Nos. 5 to 10 of this Notice. Explanation to Ordinary Business mentioned under Resolution No. 4 has been also given on voluntary basis.

ITEM NO. 4

The Members of the Company in the 14th Annual General Meeting held on August 07, 2024, approved the appointment of M/s. M S K A & Associates LLP, Chartered Accountant (FRN: W101187) and M/s. Borkar & Muzumdar, Chartered Accountant (FRN: 101569W), as Joint Statutory Auditors of the Company for a period of 3 (Three) consecutive years to hold office until the conclusion of the 17th Annual General Meeting of the Company (to be held in the calendar year 2027), subject to them continuing to fulfil the applicable eligibility norms.

The Members, at its 15th Annual General Meeting, had previously approved the remuneration for the Joint Statutory Auditors of ₹ 135 Lakh (Rupees One Hundred and Thirty Five Lakh only) for the Financial Year 2025-26. In alignment with the Company's growth and the increasing scope of audit engagements, it is now proposed to fix the remuneration payable to the Joint Statutory Auditors of the Company for the Financial Year 2026-27.

Based on the recommendation of Audit Committee, the Board of Directors of the Company has approved and recommended the payment of remuneration to the Joint Statutory Auditors of the Company amounting upto ₹ 150 Lakh (Rupees One hundred and Fifty Lakh only) for Limited Review, Statutory Audit, Tax Audit, Certain Regulatory Certifications in addition to any out-of-pocket expenses, applicable taxes, reimbursements, and other outlays as applicable for the Financial Year 2026-27 and may be paid in one or more instalments.

The remuneration between both firms have been allocated on the basis of work allocation and their respective scope of work for the Financial Year 2026-27 as follows:

- M/s. M S K A & Associates LLP, Chartered Accountants up to ₹ 84 Lakh (Rupees Eighty Four Lakh only)
- M/s. Borkar & Muzumdar, Chartered Accountants up to ₹ 66 Lakh (Rupees Sixty Six Lakh only)

The fee payable to the Joint Statutory Auditors, as proposed herein is commensurate with the size and operations of the Company, roles and responsibilities of the Joint Statutory Auditors and increased regulatory compliance.

The Board of Directors of the Company recommends the Ordinary Resolution set out at Item No. 4 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise

in the resolutions set out at Item No. 4, except to the extent of their shareholding in the Company, if any.

ITEM NO. 5

Mr. Sachinderpalsingh Jitendrasingh Bhinder ("Mr. Bhinder") was appointed as: (a) the Managing Director of the Company with effect from May 3, 2023; and (b) the Chief Executive Officer of the Company with effect from February 2, 2023. Mr. Bhinder tendered his resignation on April 20, 2026, and ceased to be the Managing Director and Chief Executive Officer of the Company with effect from the close of business hours on April 20, 2026.

During his tenure as the Managing Director and Chief Executive Officer of the Company, Mr. Bhinder made valuable contributions to the growth and development of the Company. In recognition of his contributions and to facilitate an orderly management transition, pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of the Company, the remuneration set out below was determined and paid to Mr. Bhinder towards the services rendered by him during his tenure. Following the recommendation of the Nomination and Remuneration Committee, the Board of Directors, has recommended that such remuneration be placed before the Members for their ratification and confirmation.

Particulars	Amount (INR)
Pro-rated fixed compensation for the month of April 2026	12,50,810
Payment in lieu of the contractual prior written notice period*	1,12,57,290
Variable compensation**	4,47,57,332
Aggregate amount	5,72,65,432[#]

*The payment in lieu of prior written notice was made in accordance with the terms of Mr. Bhinder's employment agreement.

**The variable compensation comprises accrued compensation and entitlements of Mr. Bhinder for FY 2025-26, FY 2023-24 and FY 2024-25 and one-time exit ex-gratia payment.

[#]Mr. Bhinder is also paid an advisory fee, in his capacity as an independent advisor and not as an employee of the Company, comprising an aggregate amount of ~INR 4,44,00,000 for a period of up to 12 months towards advisory services for providing continuity and support as may be required.

The aforesaid remuneration is within the limit of 5% of the net profits of the Company, as computed under Section 198 of the Companies Act, 2013, and is accordingly, in compliance with Section 197 of the said Act.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholding in the Company, if any.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for consideration and approval of the Members.

ITEM NO. 6

Based on the recommendation of Nomination and Remuneration Committee ("NRC") and pursuant to Section 161(1) of the Companies Act 2013 ("Act") the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations, 2015"), Reserve Bank of India (Housing Finance Companies) Directions, 2025 read with the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, ("RBI Directions"), the Board of Directors of the Company had appointed Mr. Vivek Anant Karve (DIN: 06840707) as an Additional Director in the capacity of Non-Executive Independent Director of the Company for a period of 5 consecutive years with effect from June 23, 2026 up to June 22, 2031 (both days inclusive) subject to the approval of the Members through a special resolution.

In terms of the Act, the Company is required to seek approval of the Members for the appointment of Mr. Karve as Independent Director of the Company, at the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Further in terms of Regulation 17(1C) and Regulation 25(2A) of SEBI (LODR) Regulations, 2015, the Company shall obtain approval of members for the appointment of Mr. Karve as Independent Director of the Company at the next general meeting or within three months from the date of such appointment, whichever is earlier, by way of passing Special resolution.

The Company has received the necessary declaration/disclosures from Mr. Karve including the following:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act;
- A declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act, Regulation 16(1)(b) and Regulation 25(8) of the SEBI (LODR) Regulations, 2015;
- Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;

- A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs;
- Form MBP-1 giving details of notice of interest pursuant to Section 184(1) of the Act and relevant rules thereunder;
- Declaration and undertaking in Annex II and deed of covenant as per the RBI Directions.

The Board of Directors have inducted Mr. Karve as a Chairperson of the Audit Committee and Member of CSR&ESG, Committee effective June 23, 2026.

The Company has received a notice in writing from a member proposing his candidature under Section 160 of the Act. Mr. Karve's skills, background and experience are aligned to the roles and capabilities identified by the Nomination and Remuneration Committee of the Company, that he is eligible for appointment as an Independent Director and Mr. Karve fulfils the conditions for independence specified in the Act, the Rules made thereunder, the SEBI (LODR) Regulations, 2015 and such other laws/regulations for the time being in force, to the extent applicable to the Company.

The Board is satisfied that the appointment of Mr. Karve is justified due to his profound knowledge and extensive experience of more than 30 years across sectors such as Financial Services Consumer Products and IT services. Previously he has worked with some marquee organizations in these sectors, namely, P&G, ICICI, Siemens Information Systems, Marico Ltd. and Mahindra & Mahindra Financial Services Ltd. For about 20 years (October -2000 to September -2020), he worked with Marico, a listed FMCG group in India. He held various leadership positions during this stint, the last 6 years being as Group Chief Financial Officer of Marico Ltd. In his last stint as Chief Financial Officer of Financial Services Sector at Mahindra & Mahindra Financial Services Ltd., a listed NBFC. He was responsible for leading the finance function, spanning sectors such as home finance, vehicle, insurance broking and mutual fund AMC.

In the opinion of the NRC and the Board, Mr. Karve is a person of integrity and fulfils the criteria for being appointed as an Independent Director in accordance with Section 149 of the Act, rules framed thereunder, Regulation 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, 2015, and he is independent of the management and his proposed appointment would be beneficial to the business interest of the Company.

The remuneration payable to him during tenure will be as per such limit as approved by the Members of the Company via postal ballot dated November 06, 2023 or within such other limit as may be approved by the Members of the Company from time to time.

The proposed resolution seeks the approval of members by way of special resolution for the appointment of Mr. Karve as an Independent Director for a term of 5 consecutive years from June 23, 2026 up to June 22, 2031 (both days inclusive) pursuant to Section 149(10) and other applicable provisions of the Act read with the Rules made thereunder. In terms of proviso to Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 where a special resolution for the appointment of an independent director fails to get the requisite majority of votes, but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public members in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under this regulation.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards-2, a brief profile (in detail) of Mr. Karve and other requisite details are given in the Annexure-1 to this Notice.

In view of the skills, expertise of Mr. Karve, the Board of Directors of the Company recommends the Special Resolution set out at Item No. 6 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Vivek Anant Karve and their relatives, are concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO. 7

Based on the recommendation of Nomination and Remuneration Committee ("NRC") and pursuant to Section 161(1) of the Companies Act 2013 ("Act") the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI (LODR) Regulations, 2015"), Reserve Bank of India (Housing Finance Companies) Directions, 2025 read with the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025, ("RBI Directions"), the Board of Directors of the Company had appointed Mr. Vellur Gopalaraghavan Kannan, (DIN: 03443982) as an Additional Director in the capacity of Non-Executive Independent Director of the Company for a period of 5 consecutive years with effect from August 01, 2026 up to July 31, 2031 (both days inclusive) subject to the approval of the Members through a special resolution.

In terms of the Act, the Company is required to seek approval of the Members for the appointment of Mr. Kannan as Independent Director of the Company, at the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

Further in terms of Regulation 17(1C) and Regulation 25(2A) of SEBI (LODR) Regulations, 2015, the Company shall obtain approval of members for the appointment of Mr. Kannan as Independent Director of the Company at the next general meeting or within three months from the date of such appointment, whichever is earlier, by way of passing special resolution.

The Company has received the necessary declaration/ disclosures from Mr. Kannan including the following:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act;
- A declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act, Regulation 16(1)(b) and Regulation 25(8) of the SEBI (LODR) Regulations, 2015;
- Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;
- A declaration that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs;
- Form MBP-1 giving details of notice of interest pursuant to Section 184(1) of the Act and relevant rules thereunder;
- Declaration and undertaking in Annex II and deed of covenant as per the RBI Directions.

The Board of Directors have inducted Mr. Kannan as a Chairperson of the Board (for a period of one year effective from August 01, 2026), Chairperson of Stakeholders Relationship Committee and IT Strategy Committee and Member of Nomination and Remuneration Committee and Audit Committee w.e.f. August 01, 2026.

The Company has received a notice in writing from a Member proposing his candidature under Section 160 of the Act. Mr. Kannan skills, background and experience are aligned to the roles and capabilities identified by the Nomination and Remuneration Committee of the Company, that he is eligible for

appointment as an Independent Director and Mr. Kannan fulfils the conditions for independence specified in the Act, the Rules made thereunder, the SEBI (LODR) Regulations, 2015 and such other laws/regulations for the time being in force, to the extent applicable to the Company.

The Board is satisfied that the appointment of Mr. Kannan is justified due to his profound knowledge and extensive experience over 40 years in the Banking, Financial Services and Insurance (BFSI) sector. He commenced his career as a Probationary Officer at the State Bank of India and rose to the Board position of Managing Director, overseeing SBI's domestic subsidiaries and associate until July 2016. Prior to joining the SBI Board, he served as Managing Director & CEO of SBI Capital Markets Ltd., India's leading investment banking subsidiary. He possesses extensive expertise in Credit & Risk Management, Treasury, Capital Markets, Investment Management, Agriculture & Rural Finance, MSME Banking, Insurance, Asset Management, Credit Cards, and Fund Management.

In the opinion of the NRC and the Board, Mr. Kannan is a person of integrity and fulfils the criteria for being appointed as an Independent Director in accordance with Section 149 of the Act, rules framed thereunder, Regulation 16(1)(b) and 25(8) of the SEBI (LODR) Regulations, 2015 and he is independent of the management and his proposed appointment would be beneficial to the business interest of the Company.

The remuneration payable to him during tenure will be as per such limit as approved by the Members of the Company via postal ballot dated November 06, 2023 or within such other limit as may be approved by the Members of the Company from time to time.

The proposed resolution seeks the approval of Members by way of special resolution for the appointment of Mr. Kannan as an Independent Director for a term of 5 consecutive years from August 01, 2026 up to July 31, 2031 (both days inclusive) pursuant to Section 149(10) and other applicable provisions of the Act read with the Rules made thereunder. In terms of proviso to Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 where a special resolution for the appointment of an independent director fails to get the requisite majority of votes, but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public members in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under this regulation.

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards-2, a brief profile

(in detail) of Mr. Kannan and other requisite details are given in the Annexure-1 to this Notice.

In view of the skills, expertise of Mr. Kannan, the Board of Directors of the Company recommends the Special Resolution set out at Item No. 7 of this Notice for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Vellur Gopalaraghavan Kannan and their relatives, are concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding in the Company, if any.

ITEM NO. 8 & 9

The Board of Directors of the Company ("**Board**") envisages requirements of increased funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("**the Act**"), the Board can borrow money subject to the condition that the money to be borrowed together with the money already borrowed by the Company and remaining outstanding (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital and free reserves, that is to say, reserves not set apart for any specific purpose and securities premium, unless the Members have authorized the Board to borrow the monies up to some higher limits.

Further as per Paragraph 79 of Reserve Bank of India (Housing Finance Companies) Directions, 2025 ("RBI Directions"), no Housing Finance Company can have its total Borrowing limit in aggregate, in excess of 12 times of its Net Owned Fund ("NOF").

The Members of the Company at the 15th AGM held on September 16, 2025, approved and authorized the Board of Directors to borrow from time to time, such amounts as they may deem necessary for the purpose of business of the Company, not exceeding ₹ 32,000 crore (Rupees Thirty Two Thousand Crore only) over and above the paid-up share capital and free reserves of the Company and in terms of provisions of Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create a charge on any of the movable and/or immovable properties and/or the whole or any part of undertaking(s) of the Company to secure its borrowings up to the limits of Section 180(1)(c) of the Act.

Taking into account the increased fund requirements, and considering the consistent growth in business & operations and after assessing existing and future projections of the Company, the Company would be required to borrow funds from time to time by way of Term Loans, cash credit, issue of debentures/Bonds/Commercial Paper/Triparty Repo ("TREPS") or other Securities or instruments with or without detachable or

non-detachable warrants or warrants of any other kind, bonds, external commercial borrowings or other debt instruments, or otherwise and with or without security and upon such terms and conditions as may be considered suitable by the Board, hence now, it is proposed to empower and authorize the Board to borrow money from any Bank(s), Financial Institution(s) and/ or Mutual Fund(s), Non-Resident Indians (“NRIs”), Foreign Institutional Investors (“FIIs”) or any other Person(s), Body(ies) Corporate, etc other lender(s), whether Securities holders of the Company or not or such other person(s) as the Board may decide, in excess of paid up share capital and free reserves and securities premium of the Company from the existing limit of ₹ 32,000 crore (Rupees Thirty Two Thousand Crore only) to an amount not exceeding ₹ 38,000 crore (Rupees Thirty Eight Thousand Crore only) (including the money already borrowed by the Company and remaining outstanding) for the lending business purpose and general corporate purpose, provided that the total borrowing limit shall always be within the limits as prescribed under the RBI Directions.

The resolution as set out at Item No. 8 of the Notice is placed for your approval by way of Special Resolution of the aforesaid limits of borrowing by the Board up to an amount not exceeding ₹ 38,000 crore (Rupees Thirty Eight Thousand Crore only) or equivalent thereof in any foreign currency (ies) (including the money already borrowed by the Company and remaining outstanding).

The said borrowings is required to be secured by way of charge through lien / hypothecation / mortgage over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 180(1)(a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the Members of the Company is required by way of a Special Resolution as set out at Item No. 9 of the Notice.

As per Section 180(1)(a) and 180(1)(c) and other applicable provisions of the Act, approval of the Members is being sought by way of passing Special Resolution. Hence, the Board recommends passing of the enabling Special Resolution set out at Item No. 8 & 9 of the Notice.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in the resolutions set out at Item No. 8 & 9, except to the extent of their shareholding in the Company, if any.

ITEM NO. 10

Your Company has been issuing Debentures, which may be referred to as one of the option for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation 2021, SEBI Master Circular dated October 15, 2025 for Issue and Listing of Non-convertible Securities, (as amended from time to time), Debt Listing Agreement and Guidelines as issued by Reserve Bank of India, National Housing Bank in this regard.

The Members of the Company at the 15th AGM held on September 16, 2025, approved the issuance of listed or unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement basis in terms of applicable rules and regulations for an amount not exceeding ₹ 8,500 crore (Rupees Eight Thousand Five Hundred Crore only) during a period of 1 (one) year from the date of the said AGM.

Further, the Board of Directors of the Company in its meeting held on May 05, 2026 passed the resolution and recommend to Members to approve the amount of ₹ 9,000 crore (Rupees Nine Thousand Crore only) in aggregate to be raised by way of issue of listed or unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement for general corporate purposes and for onward lending business of the Company.

Accordingly, the Company, subject to the approval of Members, proposes to issue Non-Convertible Debentures (including bonds, and/or other debt securities) as per Section 2(30) of the Act to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of the Board. The amount to be raised by way of issue of listed/unlisted, secured/unsecured redeemable Non-convertible Debentures on a private placement basis shall not exceed ₹ 9,000 crore (Rupees Nine Thousand Crore only) in aggregate, in one or more series/ tranches on private placement basis.

The aforesaid borrowings are within overall borrowing limits authorized by the Members, from time to time. It may be noted that as per Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read

with Section 42 of the Act, allows a Company to pass a Special Resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches.

Therefore, approval of the Members is accordingly sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to enable and authorize the Board (including any Committee of the Board) to issue Non-Convertible Debentures on private placement basis upto ₹ 9,000 crore (Rupees Nine Thousand Crore only) as stipulated above, in one or more tranches, during the period of 1 (One)

year from the date of passing of the Resolution set out at Item No. 10 of this Notice, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board accordingly recommends the Special Resolution as set out at Item No. 10 of the Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested, financially or otherwise in this Resolution, except to the extent of their shareholding in the Company, if any.

By order of the Board of Directors
For Aavas Financiers Limited

Sd/-

Saurabh Sharma

Company Secretary and Compliance Officer
(Membership No.: ACS - 60350)

Date: August 18, 2026
Place: Jaipur

Registered and Corporate Office:

201-202, 2nd Floor, Southend Square,
Mansarovar Industrial Area, Jaipur 302020, Rajasthan, India
CIN: L65922RJ2011PLC034297
Tel: +91 141-4659221
E-mail: investorrelations@aavas.in
Website: www.aavas.in

Annexure-1

Details of Directors seeking appointment/re-appointment vide this Notice, pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards on General Meetings issued by Institute of Company Secretaries of India (ICSI) are as follows:

Name of Director	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Vivek Anant Karve	Mr. Vellur Gopalraghavan Kannan
DIN	01277756	10759936	06840707	03443982
Age (in years)	47	42	55	70
Qualification	MBA in Finance from Indian School of Business, Hyderabad and a Bachelor of Engineering (Electronics) from Veermata Jijabai Technological Institute, University of Mumbai.	Masters in Management Studies (Jamnalal Bajaj Institute of Management Studies) as well as Bachelor's degree in Computer Science engineering from University of Mumbai.	Member of Institute of Chartered Accountant of India (ICAI), and Institute of Cost Accountant of India and B. Com. from the University of Bombay.	Bachelor's degree in Business Administration from Madurai Kamaraj University and Master's degree in Business Administration from the University of Madras.
Brief Resume and Experience	Mr. Nikhil Omprakash Gahrotra currently serves as a Senior Managing Director with CVC, with 21 years of private equity experience. Prior to CVC, he was a Partner with the Financial Institutions Group at Apollo Global, one of the largest alternate investment firms globally. Prior to Apollo, he was with BanyanTree Growth Capital, an India-focused structured private equity fund, 3i Group Plc in India in the Growth Capital team, and Q Investments, a US based hedge fund, where he was a founding member of their India office and Citigroup's investment banking team. He led the first ever private-equity buyout of a defaulting company, Monnet Ispat & Energy Limited in 2018, under the newly enacted Insolvency and Bankruptcy Code, 2016 and was on the board of JSW Ispat Special Products Ltd (formerly known as Monnet Ispat & Energy) and oversaw the turnaround of the business and its eventual merger with JSW Steel Limited. The transaction helped resolve over \$1.5 billion of claims.	Mrs. Neha Sureka has over 20 Years of experience in consulting and operating roles across various organizations. She started out in her professional career, as a management consultant with McKinsey and Company where she primarily served consumer-facing clients and tech services businesses for over six years. Prior to joining CVC, she spent nearly a decade building digital and technology first businesses, and scaling them up at Aditya Birla Finance and Bharti Airtel in India.	Mr. Vivek Anant Karve has more than 30 years of rich professional experience across sectors such as Consumer Products, IT services and Financial Services. He has had the fortune of working with some marquee organizations in these sectors, namely, P&G, ICI, Siemens Information Systems, Marico and Mahindra Finance. For about 20 years (October -2000 to September -2020), he worked with Marico, a listed FMCG group in India. He held various leadership positions during this stint, the last 6 years being as Group Chief Financial Officer of Marico Ltd. In his last stint as CFO of Financial Services Sector at Mahindra & Mahindra Financial Services Ltd, a listed NBFC with a market capitalization of about US 4 billion, he was responsible for leading the finance function, spanning sectors such as vehicle & home finance, insurance broking and mutual fund AMC. As a member of the top leadership team, he helped steer the company through the turbulent Covid period. Some of the notable contributions in his career with Mahindra Finance have centred around setting performance management systems & processes for the entire financial services sector (budgeting, planning and performance review), centralization of customer onboarding due diligence & finance processes and successful conclusion of acquisition of minority stake in the insurance broking subsidiary.	Mr. Vellur Gopalraghavan Kannan is a seasoned banking professional with over 40 years of leadership experience in the Banking, Financial Services and Insurance (BFSI) sector. He joined the State Bank of India (SBI) as a Probationary Officer in 1978 and progressed to the Board position of Managing Director, overseeing SBI's domestic subsidiaries and associate banks until July 2016. Prior to joining the SBI Board, he served as Managing Director & CEO of SBI Capital Markets Ltd., India's leading investment banking subsidiary. He has held several key leadership positions within SBI, including Chief General Manager – Mid Corporate Group, managing funded assets exceeding ₹1.80 trillion; Head of Forex & Money Markets at SBI Central Treasury and SBI Hong Kong; Network General Manager, Chennai; and Assistant General Manager (Fixed Income Markets), SBI Corporate Treasury, Mumbai. As Managing Director (Associate Banks & Subsidiaries), he spearheaded the successful merger process of SBI's five Associate Banks with SBI, completing one of the largest banking integration exercises in India within a year. Under his leadership, SBI's subsidiaries delivered strong financial performance, enabling significant dividend contributions and paving the way for the subsequent listing of several subsidiaries. Post-retirement, he served as Chief Executive of the Indian Banks' Association (IBA) from December 2016 to December 2019, acting as the principal spokesperson for the banking industry and working closely with regulators and the Government on policy.

Name of Director	Mr. Nikhil Omprakash Gahrotra	Mrs. Neha Sureka	Mr. Vivek Anant Karve	Mr. Vellur Gopalraghavan Kannan
Nature of expertise in specific functional areas	Private Equity Investment, Accounting & Finance, Assets & Liability, Risk Management and Governance.	Finance Investment consultancy, Information Technology & Digital, Assets & Liability, Risk Management and Governance.	Accounting & Finance, Governance, Insurance, Information Technology and FMCG.	Credit & Risk Management, Governance, Accounting & Finance, Capital Markets, Investment Management, Agriculture & Rural Finance, MSME Banking, Insurance, Asset Management, and Fund Management.
Relationships with Directors, Manager and other Key Managerial Personnel inter-se	None	None	None	None
Directorships held in other Companies (excluding foreign companies)	Private Limited Company: CVC Advisers (India) Private Limited.	Public Limited Company: Cohizon Life Sciences Limited (Formerly known as Saijan India Limited).	Listed Company: Suryoday Small Finance Bank Limited, Niva Bupa Health Insurance Company Limited, Kaya Limited. Public Limited Company: Eternis Fine Chemicals Limited. Private Limited Company: Process Intelligence and Dynamics Private Limited Section 8 Company: Vivek Karve Shikshan Foundation.	Public Limited Company: Ageas Federal Life Insurance Company Limited. Private Limited Company: ASK Asset Management Private Limited.
Committee position held in other companies (excluding foreign companies)	Nil	Nil	Suryoday Small Finance Bank Limited: - Audit Committee (Chairperson). - Risk Management Committee (Member). - Stakeholders Relationship Committee (Member). - Special Committee of Fraud Monitoring (Member). Kaya Limited: - Audit Committee (Chairperson). - Stakeholders Relationship Committee (Chairperson). - Risk Management Committee (Chairperson). Niva Bupa Health Insurance Company Limited: - Audit Committee (Chairperson). Eternis Fine Chemicals Limited: - Risk Management Committee (Chairperson). - Nomination and Remuneration Committee (Member). - Audit Committee (Member).	Ageas Federal Life Insurance company Limited: - With Profit Committee (Chairperson). - Investment Committee (Chairperson). - Nomination and Remuneration Committee (Member). - Risk Management Committee (Member). ASK Asset Management Private Limited: - Risk Management Committee (Chairperson). - Unit Holder Protection Committee (Member). - Audit Committee (Member).

Name of Director	Mr. Nikhil Omprakash Gahotra	Mrs. Neha Sureka	Mr. Vivek Anant Karve	Mr. Vellur Gopalraghavan Kannan
Listed Companies from which he/she resigned in the past three years	JSW Ispat Special Products Limited (amalgamated).	None	Mahindra Rural Housing Finance Limited.	1. Aptus Value Housing Finance India Limited. 2. AU Small Finance Bank Limited.
No. of Equity shares held in the Company including beneficial ownerships	None	None	None	None
Key terms and conditions of appointment	Re-appointment as Non-Executive Nominee Director liable to retire by rotation.	Re-appointment as Non-Executive Nominee Director liable to retire by rotation.	Appointment as Non-Executive Independent Director, not liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 6 read with the explanatory statement thereto.	Appointment as Non-Executive Independent Director, not liable to retire by rotation. Further terms and conditions as per the resolution set out at Item No. 7 read with the explanatory statement thereto.
Remuneration proposed to be paid	Nil	Nil	Sitting Fees/ Profit linked commission within the limits as approved by the Members from time to time.	Sitting Fees/ Profit linked commission within the limits as approved by the Members from time to time.
Remuneration last drawn	Nil	Nil	Nil	Nil
Date of first appointment on Board	June 30, 2025	June 30, 2025	June 23, 2026	August 01, 2026
Number of meetings of the Board attended during the Financial Year 2025-26	4 out of 4	4 out of 4	NA	NA

INFORMATION AT A GLANCE

Sr. No.	Events	Details of Event
1.	Day, Date and Time of AGM	Wednesday, September 16, 2026 at 03:00 P.M. (IST)
2.	Mode of Conduct	Video Conference ("VC") or Other Audio Visual Means ("OAVM")
3.	Link for Participating in the meeting through VC/OAVM	Member can login from 02.30 P.M. (IST) on the date of AGM at https://www.evoting.nsdl.com/ (Please refer e-Voting procedure in Note 23 of Notice)
4.	Contact information for VC or e-Voting related issues	E-mail: evoting@nsdl.com or helpdesk.evoting@cdslindia.com or contact at toll free no. 022-4886-7000 or 1800-21-0911 Members can connect with: Ms. Pallavi Mhatre (Deputy Vice President- NSDL) at evoting@nsdl.com
5.	Cut-off Date for e-Voting	Wednesday, September 09, 2026
6.	Speaker Shareholder Registration before AGM	Send E-mail at investorrelations@aavas.in till Wednesday, September 09, 2026. (Please mention name, demat account number/folio number, PAN, mobile number in the e-mail sent for registration along with your queries)
7.	EVEN Number	141131
8.	Remote e-Voting start date and time	Date: Friday, September 11, 2026 Start Time: 9:00 A.M. (IST)
9.	Remote e-Voting end date and time	Date: Tuesday, September 15, 2026 End Time: 5:00 P.M. (IST)
10.	Name of e-Voting Service Provider	National Security Depository Limited ("NSDL")
11.	Remote e-Voting website	https://www.evoting.nsdl.com/ https://eservices.nsdl.com/
12.	Name of Registrar to an issue and Share Transfer Agent (RTA)	MUFG Intime India Private Limited
13.	Registration of Members' e-mail IDs for the purpose of the receiving Annual report through electronic mode	Please send e-mail at investorrelations@aavas.in (Please refer documents in Note 24 of this AGM Notice, that are required to send with e-mail)



AAVAS FINANCIERS LIMITED

CIN No. L65922RJ2011PLC034297

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