

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

INFORMATION MEMORANDUM



AAVAS FINANCIERS LIMITED

CIN No. L65922RJ2011PLC034297

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: February 23, 2011*

Registered and Corporate Office: 201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020

Telephone No.: 0141-6618839,

Website: www.aavas.in

*On conversion of AAVAS FINANCIERS LIMITED (Formerly known as Au Housing Finance Limited), a fresh certificate of incorporation has been issued on 29th March, 2017.

Information Memorandum for issue of Debentures on a private placement basis

Dated: December 30, 2020

Issue of 100 (One Hundred) Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, of the aggregate nominal value of up to Rs. 10,00,00,000/- (Rupees Ten Crores only) with a green shoe option of up to 900 (Nine Hundred) Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, of the aggregate nominal value of up to Rs. 90,00,00,000/- (Rupees Ninety Crores only), in a single series ("Debentures"/ "NCDs") on a private placement basis (the "Issue").

Background

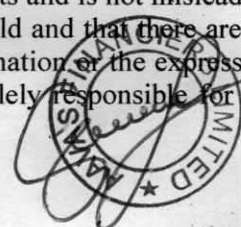
This Information Memorandum is related to the Debentures to be issued by Aavas Financials Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on July 22, 2020 and the Board of Directors of the Issuer on May 14, 2020 read with the resolution passed by the Executive Committee of the Board of Directors dated December 25, 2020 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis ("Information Memorandum" or "Disclosure Document"). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.



Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by ICRA Limited (“**Rating Agency**” / “**ICRA**”) The Rating Agency has assigned a rating of “ICRA AA- (Stable)” (pronounced ‘Double A minus’ with “Stable” outlook) in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the Rating Agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the rating letter dated **December 22, 2020** from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opens on: **December 30, 2020**
Issue Closing on: **December 30, 2020**
Deemed Date of Allotment: **December 31, 2020**

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

The Debentures are proposed to be listed on the wholesale debt market of the BSE Limited (“**BSE**”).

Issuer	Debenture Trustee	Registrar and Transfer Agent
Aavas Financiers Limited 201-202, 2nd Floor, Southend Sqaure, Mansarovar Industrial Area, Jaipur- 302020 Contact Person: Sharad Pathak, Company Secretary and Compliance Officer Tel.: +91 14 1661 8800 Email: investorrelations@aavas.in Website: www.aavas.in	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 Website: https://idbitrustee.com/ Email: services@idbitrustee.com	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078 Email: parab.trupti@linkintime.co.in Website: www.linkintime.co.in



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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum.

Act	Means the Companies Act, 2013 and to the extent not repealed and replaced by the Companies Act, 2013, shall mean the Companies Act, 1956
Adjusted Tangible Net Worth	Means, at any time, the aggregate amount of equity capital, equity share premium and reserves (excluding revaluation reserves), as reduced by the aggregate amount of goodwill, other intangible assets and investments in group companies.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Applicable Law(s)	Shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof;
Application Form	The form used by the recipient of this Disclosure Document and the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as Annexure IV .
Assets	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with accounting standards prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Company or any other such accounting standards as may be prescribed under Applicable Law
Beneficial Owner(s)	Means the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as the Debenture Holders with the Depository.
Board/Board of Directors	The Board of Directors of the Issuer.
BSE / Stock Exchange	BSE Limited
Business Day	Any day of the week (excluding Saturdays and any other day on which banks are closed for general business in Mumbai, India) shall be a Business Day
CDSL	Central Depository Services Limited.
Coupon	Shall have the meaning set out under “ Coupon Rate ” in paragraph 5.27 herein
Coupon Payment Dates	Shall have the meaning set out under “ Coupon Payment Dates ” in paragraph 5.27 herein
Coupon Rate	Shall have the meaning set out under “ Coupon Rate ” in paragraph 5.27 herein
Debenture Holder	Shall mean the several persons/companies who will, from time to time, be holders of the Debentures and whose names will be entered in the Register of Debenture Holders as Debenture Holders and whose names will be recorded as the beneficial owners of the Debentures, with the Depository
Debenture Trustee	Trustee for the Debenture Holders, in this case being IDBI Trusteeship Services Limited
Debenture Trustee	Shall mean the debenture trustee agreement entered into by and



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Agreement	between the Company and IDBI Trusteeship Services Limited for the appointment of IDBI Trusteeship Services Limited as Debenture Trustee in relation to the Debentures.
Debenture Trust Deed	Deed to be executed <i>intra alios</i> by and between Debenture Trustee and the Company for the purposes of the issuance of the Debentures
Deed of Hypothecation	Means the deed of hypothecation executed between the Company and the Debenture Trustee in terms of which the Company shall create a first ranking and exclusive charge over the Hypothecated Assets in favour of the Debenture Trustee, to secure the obligations of the Company in relation to the Debentures
Deemed Date of Allotment	Shall mean the date on which the Debentures shall be allotted to the Debenture Holders i.e. December 31, 2020.
Default Interest	Shall have the meaning set out under “ Default Interest Rate ” in paragraph 5.27 herein
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act
Disclosure Document / Information Memorandum	This Disclosure Document / Information Memorandum through which the Issue is being made
DP-ID	Depository Participant Identification Number
ECS	Electronic clearing system
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Electronic Book Provider / EBP	Shall have the meaning assigned to such term under the EBP Guidelines.
Event of Default	Shall have the meaning set out under “ Event of Default ” in paragraph 5.27 herein
Final Settlement Date	Shall mean the date on which the obligations in relation to the Outstanding Amounts have been irrevocably discharged in full and/or the Debentures, have been redeemed by the Company in full and the Debenture Trustee has provided a written confirmation to the Company in this regard
Financial Indebtedness	Shall mean any indebtedness for or in respect of: <ol style="list-style-type: none"> 1. moneys borrowed; 2. any amount availed of by acceptance of any credit facility (the sanction amount will be considered in relation to cash credit / overdraft facility); 3. any amount raised pursuant to the issuance of any notes, bonds, debentures, loan stock or any other similar securities or instruments;



	<p>4. the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease;</p> <p>5. any preference shares (excluding any compulsorily convertible preference shares).</p> <p>For the sake of abundant caution, it is clarified that any amounts raised by the Company by way of securitization of receivables shall not be considered as Financial Indebtedness of the Company.</p>
Gross Stage 3	Shall have the meaning set out under “ Covenants of the Issue ” in sub-paragraph (a)(iv)(B) under paragraph 5.29 herein
Hypothecated Assets	Shall have the meaning set out under “ Security ” in paragraph 5.27 herein
ICCL	Indian Clearing Corporation Limited
Identified Receivables	Shall have the meaning set out under “ Security ” in paragraph 5.27 herein
Issue	Private placement of the Debentures
Kedaara Capital	“Kedaara Capital” shall mean collectively: (i) Lake District Holdings Limited (Lake District) and (ii) Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 (Kedaara AIF-1)
Loan Assets	Means and includes the outstanding amount of all the loans appearing on the assets side in the balance sheet of the Company
Majority Debenture Holder(s)	Means Debenture Holders holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the outstanding Debentures
Management Control	<p>Means with respect to the Company, the ability of the Promoters to:</p> <p>(i) direct the management or policies of the Company; and</p> <p>(ii) appoint majority directors on the board of directors of the Company,</p> <p>whether directly or through one or more levels of subsidiaries or through any other Persons or through shareholding or management rights or shareholding agreements or voting agreements or other agreements or in any other manner</p>
Material Adverse Effect	<p>Means an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could be expected to cause a material adverse effect on or a material adverse change in the judgment of Debenture Trustee, on:</p> <p>(i) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Company; or</p> <p>(ii) the ability of the Company to enter into and to perform its obligations under Transaction Documents or any other related document to which the Company is or will be a party; or</p> <p>(iii) the validity or enforceability of the Transaction Documents or any other related document or the rights or remedies of the Debenture Holder(s) thereunder; or</p> <p>(iv) the ability of the Debenture Holder to exercise or enforce any right, benefit, privilege or remedy under any Transaction Document;</p>
Maturity Date	Shall mean the day on which the Debentures are redeemed in full, whether on account of scheduled repayment or prepayment or



	payment consequent to the occurrence of an Event of Default. The scheduled Maturity Date for the Debentures shall be the Scheduled Redemption Dates
Minimum Security Cover	Shall have the meaning set out under “ Security ” in paragraph 5.27 herein.
Net NPA (Net Stage 3)	Shall have the meaning set out under “ Covenants of the Issue ” in sub-paragraph (a)(iv)(A) under paragraph 5.29 herein
Net Worth	Means, at any time, the aggregate amount of equity capital, equity share premium and reserves
NEFT	National Electronic Fund Transfer Service
NHB	National Housing Bank
NHB NCD Directions	Means the master circular on the Housing Finance Companies Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014 issued by the NHB (as amended, updated, modified or restated from time to time) and the Housing Finance Companies (NHB) Directions, 2010 (as amended, updated, modified or restated from time to time)
NSDL	National Securities Depository Limited
Outstanding Amounts	Mean the aggregate of the principal amount, Coupon, Default Interest, any outstanding remuneration of the Debenture Trustee, fees, costs, charges, expenses and all present and future moneys, liabilities due, owing or incurred from time to time to the Company under or in connection with the Debentures, and/or any Transaction Document (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise)
Partners Group	“Partners Group” shall mean collectively: (i) Partners Group Private Equity Master Fund LLC (Master Fund) and (ii) Partners Group ESCL Limited (ESCL).
Private Placement Offer Letter	Shall mean the private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Promoter	The promoters of our Company, namely, Lake District and ESCL.
Purpose	Shall have the meaning set out under “ Utilization of the Issue Proceeds ” in paragraph 5.26 herein.
RBI	Reserve Bank of India
Record Date	Shall have the meaning set out under “ Record Date ” in paragraph 5.27 herein.
Register of Debenture Holders	Shall mean the register maintained by the Company containing the name(s) of the Debenture Holder(s), which register shall be maintained at the Registered Office of the Company.
RTGS	Real Time Gross Settlement
Rating Agency	ICRA Limited
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Regulations (ILDS)	Means the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008



SEBI (LODR) Regulations	Means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Scheduled Redemption Dates	Shall have the meaning set out under “ Redemption Dates/Schedule Redemption Dates ” in paragraph 5.27 herein
Security / Security Interest	Shall mean the security created to secure the obligations of the Issuer in relation to the Debentures and shall be the security identified in “ Security ” in paragraph 5.27 herein.
Security Cover	Shall mean the cover provided by the Security for the principal amounts and Coupon outstanding under the Debentures at all times
Selection Criteria	Means the criteria that the Identified Receivables forming part of the Hypothecated Assets shall comply with, as under: (i) The Identified Receivables of the Company forming part of the Hypothecated Assets are standard assets as defined by National Housing Bank/ the Reserve Bank of India from time to time, (ii) The loans comprised in the Hypothecated Assets are provided by the Company in its ordinary course of business, (iii) All overdue amounts outstanding under the loans comprising the Hypothecated Assets shall not be overdue by more than 90 (Ninty) days at any time;
Supervisory Authorities	Means the NHB and, to the extent applicable, the RBI
Tangible Net Worth	Means, at any time, the aggregate amount of equity capital, equity share premium and reserves (excluding revaluation reserves), as reduced by the aggregate amount of goodwill, other intangible assets and investments in group companies
Total Outside Liabilities (TOL)	Means, at any time, the aggregate amount of the liability side in the balance sheet of the Company, as reduced by the Net Worth of the company.
Transaction Documents	Shall have the meaning set out under “ Transaction Documents ” in paragraph 5.27 herein
WDM	Wholesale Debt Market



SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

This Information Memorandum has been prepared in conformity with the extant SEBI (ILDS) Regulations, as amended from time to time and the SEBI (LODR) Regulations, as amended from time to time and the applicable RBI Circulars governing private placements of debentures by NBFCs. This Information Memorandum has been prepared solely to provide general information about the Issuer to the eligible investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Information Memorandum does not purport to contain all the information that any eligible investor may require. Further, this Information Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt as a recommendation to subscribe to any Debentures. Each potential Investor contemplating subscription to any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Issue and regulatory requirements in relation to the Issue and is accurate in all such material respects. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI (ILDS) Regulations, as amended from time to time and the SEBI (LODR) Regulations, as amended from time to time. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are



intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any person other than those to whom Application Forms along with this Information Memorandum and the Private Placement Offer cum Application Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer cum Application Letter has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum and/or the Private Placement Offer cum Application Letter shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Information Memorandum and/or the Private Placement Offer cum Application Letter may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Information Memorandum) without retaining any copies hereof. If any recipient of this Information Memorandum and/or the Private Placement Offer cum Application Letter decides not to participate in the Issue, that recipient must promptly return this Information Memorandum and/or the Private Placement Offer cum Application Letter and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the Issue to the Issuer.

The Issuer does not undertake to update the Information Memorandum and/or the Private Placement Offer cum Application Letter to reflect subsequent events after the date of Information Memorandum and/or the Private Placement Offer cum Application Letter and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum and/or the Private Placement Offer cum Application Letter nor any sale of Debentures made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Information Memorandum and/or the Private Placement Offer cum Application Letter in any jurisdiction where such action is required. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions. The Information Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum has been filed with the BSE in terms of the SEBI (ILDS) Regulations, as amended from time to time. It is to be distinctly understood that submission of this Information Memorandum to the BSE should not in any way be deemed or construed to mean that this Information Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.



2.3 DISCLAIMER CLAUSE OF NHB

The Company is having a valid certificate of registration issued by the NHB for carrying out the housing finance activities in India. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits/ discharge of liability by the company.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI (ILDS) Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to Investors as specified under the clause titled "Eligible Investors" of this Information Memorandum, who shall be/have been identified upfront by the Issuer. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the non-exclusive jurisdiction of the courts and tribunals at Mumbai and at Delhi, subject to the Debenture Documents. This Information Memorandum and/or the Private Placement Offer cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 DISCLAIMER OF THE DEBENTURE TRUSTEE

The Debenture Trustee does not guarantee the terms of payment regarding the Issue as stated in this Disclosure Document and shall not be held liable for any default in the same. Neither the Debenture Trustee nor any of its affiliates / representatives make any representations or assume any responsibility for the accuracy of the information given in this Disclosure Document.

The Debenture Trustee ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by the subscribers to the Debentures.

2.8 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depository participant. The Issuer will make the Allotment to Investors on the



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Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.



SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. Potential Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR THE DEBENTURES MAY BE ILLIQUID

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debenture until redemption to realize any value.

3.3 CREDIT RISK & RATING DOWNGRADE RISK

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on re-valuation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

3.4 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other professional advisors to determine any financial, legal, tax and other implications of this investment.

3.5 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.6 SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Investors recovery in relation to the



Debentures will be subject to (i) the market value of such Hypothecated Property, (ii) finding willing buyers for the Hypothecated Property at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures;

3.7 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.8 LEGALITY OF PURCHASE

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

3.9 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

3.10 RISKS RELATED TO THE BUSINESS OF THE ISSUER

- A. If the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.**

The Issuer's financial condition is directly correlated to its ability to control the level of Non-Performing Assets ("NPAs") in the future and if the Issuer's loan loss reserves are insufficient to cover future loan losses, its financial condition and results of operations may be materially and adversely affected.

As on March 31, 2020, the gross NPA was 0.46%.

The Issuer cannot assure that it will be able to effectively control the level of the NPAs of its client loans. The amount of its reported NPAs may increase in the future as a result of growth of client loans, and due to other factors beyond its control. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans or inability to realize the debt. As a result, if the quality of its total loan portfolio deteriorates the



Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

B. The Issuer is exposed to certain political, regulatory and concentration of risks

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks.

C. The Issuer intends to expand into new cities, with no guarantee that these operations will be successful

The Issuer plans to expand its operations in across all the states where it is operating in which it has a presence and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enables it to achieve its corporate objectives. However, if the Issuer is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

D. Changes in interest rates of the loans that the Issuer can borrow could reduce profit margins

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition.

E. Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries.

The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth.

The Issuer's business is dependent on its team of personnel who directly manage its relationships with its borrowers. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its borrowers over a period of time.

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.



F. The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

G. The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations

HFCs in India are subject to strict regulation and supervision by the NHB. Pursuant to guidelines issued by the NHB, the Issuer is required to maintain its status as an HFC. The Issuer requires certain approvals, licenses, registrations, compliances and permissions for operating its business, including registration with the NHB as an HFC. Further, such approvals, licenses, registrations, compliance requirements and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as an HFC that is subject to numerous conditions.

H. Outbreak of COVID-19 has had, and could further have, a material adverse effect on the Company's business, financial condition and results of operations.

The Company's business could also be adversely affected by the effects of coronavirus or other similar virus, pandemic or endemic outbreaks of infectious diseases. In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan City, Hubei Province, China and the World Health Organisation has declared the outbreak a pandemic on March 12, 2020. There have been border controls and travel restrictions imposed by various countries as a result of the COVID-19 outbreak. Such outbreak of an infectious disease together with any resulting restrictions on travel and/or imposition of quarantine measures may result in protracted volatility in national/international markets and/or result in a global recession and may adversely impact the operations, revenues, cash flows and profitability of the Company. There can be no assurance that any precautionary or other measures taken against infectious diseases would be effective. In particular, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activity worldwide. A number of governments (including the Indian government) revised gross domestic product growth forecasts for 2020 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession.

The risk factors mentioned above are not exhaustive in nature.



SECTION 4: FINANCIAL STATEMENTS

Set out in **Annexure V** hereto.



SECTION 5: REGULATORY DISCLOSURES

The Information Memorandum is prepared in accordance with the provisions of SEBI ILDS Regulations and in this Section, the Issuer has set out the details required as per Schedule I of the SEBI ILDS Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted to the BSE:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the resolution passed by the shareholders of the Company on July 22, 2020, authorising the Board of Directors to borrow and create security in relation thereto, for the purpose of the Company, upon such terms as the Board may think fit, up to an aggregate limit of Rs. 12,500 Crores;
- (e) Copy of the resolution passed by the shareholders of the Company at the General Meeting held on July 22, 2020, authorizing the issue/offer of non-convertible debentures by the Company and creation of security thereto;
- (f) Copy of the resolution passed by the Board of Directors dated May 14, 2020, approving the issuance of non-convertible debentures on private placement basis to the extent of Rs. 3,500 Crores;
- (g) Copy of the resolution passed by the Executive Committee of the Board dated December 25, 2020 authorizing the issuance of Debentures, creation of security, the list of authorized signatories and other matters incidental thereto;
- (h) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
- (i) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
- (j) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

The following documents have been / shall be submitted to the Debenture Trustee in electronic form (soft copy) on or before the allotment of the Debentures:

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
 - (b) Copy of last 3 (Three) years audited Annual Reports;
 - (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
 - (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
- An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular



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No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Sr. No.	Particulars	Details
1.	Date of Incorporation	February 23, 2011* **On conversion of AAVAS FINANCIERS LIMITED (Formerly known as Au Housing Finance Limited), a fresh certificate of incorporation has been issued on 29th March, 2017
2.	Issuer	AAVAS FINANCIERS LIMITED
3.	Registered and Corporate Office	201-202, 2nd Floor, South End Square, Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India
4.	Phone No. of the Issuer	0141-6618839
5.	Contact Person of the Issuer:	Mr. Sharad Pathak
6.	Email of the Issuer:	sharad.pathak@aavas.in
7.	Website of Issuer:	www.aavas.in
8.	Registration	Corporate Identification Number: L65922RJ2011PLC034297. The Company holds a certificate of registration dated March 29, 2017 bearing registration no. 034297.
9.	Compliance Officer of the Issuer	Mr. Sharad Pathak 201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020
10.	Chief Finance Officer (CFO) of the Issuer	Mr. Ghanshyam Rawat 201-202, 2nd Floor, Southend Square, Mansarovar Industrial Area, Jaipur-302020
11.	Trustee to the Issue	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India
12.	Registrar to the Issue	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078
13.	Credit Rating Agency (s) of the Issue	ICRA Limited 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg New Delhi-110001
14.	Auditor(s) of the Issuer	S R Batliboi & Associates, LLP 12th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar (West), Mumbai - 400 028
15.	Name of the Electronic Book Provider	BSE Limited 20th Floor, P J Towers, Dalal Street, Mumbai – 400 001.



5.4 A brief summary of business / activities of the Issuer and its line of business:

(a) Overview

Incorporation: AAVAS FINANCIERS LIMITED (Formerly known as Au Housing Limited), was originally incorporated as a private limited company in February 2011, Changed its name to AAVAS FINANCIERS LIMITED from Au HOUSING FINANCE LIMITED with a fresh certificate of incorporation in March 2017.

AAVAS FINANCIERS LIMITED is registered with National Housing Bank as a Housing Finance Company and got the license from National Housing Bank in August, 2011.

Product Segment: AAVAS FINANCIERS LIMITED ("AAVAS") is engaged mainly in 4 types of products mentioned below under its Housing Finance business:-

1. **Finance for purchase** - Ready built Property/Flat (including apartments in Low cost buildings, cluster units, residential units, etc.).
2. **Finance for construction on a land already acquired** - The product is designed to offer loans for construction on a plot of land, which has been already acquired.
3. **Finance for home extension:** This product is designed to offer loans to individuals for extension of an existing home unit, which can include construction of additional rooms, floor etc.
4. **Finance for affordable housing:** Especially under the Indian Government's credit linked subsidy scheme, Pradhan Mantri Awas Yojna (PMAY).

Branch Network: The Company caters the needs of various small families in towns and semi urban areas to meet their life time dream to own their own house. Presently AAVAS is operating in 11 states namely Rajasthan, Gujarat, Maharashtra, Madhya Pradesh, Delhi, Uttar Pradesh, Haryana, Chattisgarh, Uttarakhand, Himachal Pradesh and Punjab with the network of 259 branches as on September 30 2020. Company would expand its Branches in these states to leverage the customer base for housing finance business in rural and semi urban areas.

Subsidiary: As on the date of this offer letter, the Company has one wholly owned Subsidiary named as Aavas Finserv Limited ("Aavas Finserv").

Aavas Finserv was incorporated under the Companies Act, 2013 on November 30, 2017 as a public limited company with the RoC with CIN U65929RJ2017PLC059623 and registered office located at 203-205, 2nd Floor, South End Square Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India. Aavas Finserv is authorised, by its memorandum of association, to engage in the business of providing finance whether by way of loans or advances to individuals, association of individuals (whether incorporated or not), industry or corporates. Aavas Finserv has not yet commenced its business operations.

Aavas Foundation is a Public Charitable Trust settled by the Company for the purpose of carrying its CSR (Corporate Social Responsibilities) Activities. The Trust has been formed vide a Registered Trust Deed on March 26, 2019 registered by Sub Registrar, Registration and Stamps Dept., Govt. of Rajasthan under Document No. 201901190002048.

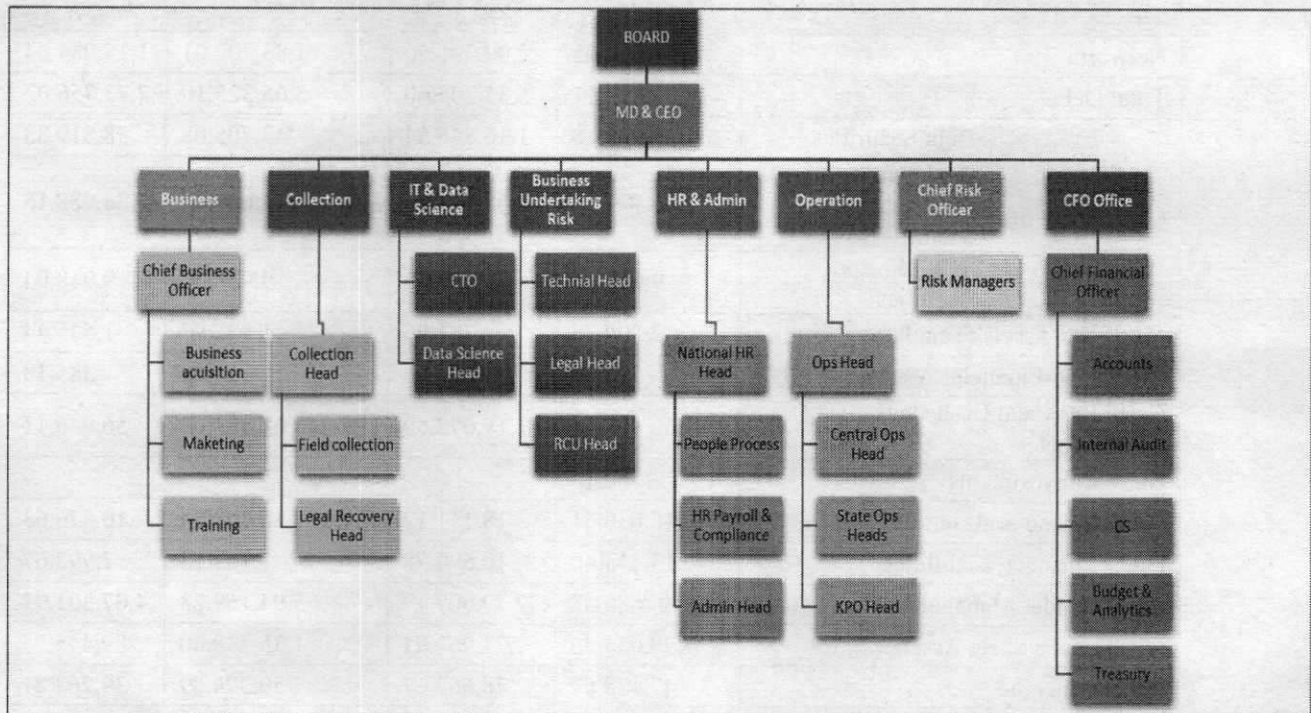
Customer Segment: AAVAS is primarily engaged in the business of providing housing loan to customers belonging to low and middle income segment in semi urban and rural areas. These are credit worthy customers who may or may not have the income proof



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documents like IT return, salary slip and hence are financially excluded by other large mortgage companies. AAVAS uses unique appraisal methodology to assess these customers individually. The financing solution need to be appropriated and suitable to them.

(b) **Corporate Structure**



(c) **Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis:**

Parameters (Rs. in Lakhs)		H1 FY 2020-21 (Ind AS)	FY 2019-20 (Ind AS)	FY 2018-19 (Ind AS)	FY 2017-18 (Ind AS)
Networth		2,22,122.05	2,09,791.50	1,83,702.01	1,18,984.64
Total Debt		6,02,622.11	5,35,203.60	3,65,325.10	2,73,756.02
Comprising of	Debt Securities	1,26,929.18	1,16,846.54	43,705.08	38,819.83
	Borrowings (other than Debt Securities)	4,65,723.40	4,08,391.40	3,11,661.72	2,24,988.15
	Subordinated liabilities	9,969.54	9,965.61	9,958.30	9,948.04
Net Fixed Assets (Tangible)		2,509.36	2,731.96	1,922.97	1,545.44
Other Non-Financial Assets		798.80	630.46	434.92	385.18
Cash, Bank and Cash/Bank Equivalents		1,50,997.00	1,19,672.50	68,381.60	56,946.11
Current Investments		-	-	-	-
Other Financial Assets		18,030.31	18,111.12	16,348.94	10,876.63
Other Financial Liabilities		13,413.46	10,694.78	7,163.18	7,993.67
Assets Under Management		8,36,689.38	7,79,609.17	5,94,169.23	4,07,301.97
Off Balance Sheet Assets		1,79,054.56	1,73,963.91	1,35,238.40	89,445.75
Interest Income		47,178.67	78,667.67	59,374.89	39,263.81
Interest Expense		22,618.56	35,607.15	25,536.71	19,308.76
Impairment on financial instruments		1,401.18	1,533.78	889.77	258.87
PAT		11,600.98	24,904.16	17,603.09	9,303.56
Gross NPA (%)		0.47%	0.46%	0.47%	0.46%
Net NPA (%)		0.32%	0.34%	0.37%	0.39%
Tier I Capital Adequacy Ratio (%)*		50.84%	53.67%	64.25%	55.94%
Tier II Capital Adequacy Ratio (%)*		2.24%	2.18%	3.52%	5.61%

(d) **Gross Debt: Equity Ratio of the Company:**

Before the issue of debt securities	2.91
After the issue of debt securities	2.96

While calculating Debt Equity we have considered debt as of November 30, 2020 and Net worth as of September 30, 2020

(e) **Project cost and means of financing, in case of funding new projects:**

N.A.

5.5 Brief history of Issuer since its incorporation giving details of its following activities:

AAVAS FINANCIERS LIMITED (Formerly known as Au HOUSING FINANCE LIMITED) was originally incorporated as a private limited company under the Companies



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Act, 1956 on February 23, 2011. as a wholly owned subsidiary of Au Financiers (India) Limited, (now known as AU Small Finance Bank Limited ("AuSFB")).

Subsequently, AAVAS FINANCIERS LIMITED converted into a public limited company, as per the provisions of the Companies Act, and was issued a fresh certificate of incorporation on January 11, 2013.

Subsequently, AuSFB sold 90.10% of the outstanding equity interest of the Company in connection with its conversion to a small finance bank, to Lake District, Kedaara AIF-1, ESCL and Master Fund in June, 2016. The name of the Company was changed from 'AU Housing Finance Limited' to 'Aavas Financiers Limited' in March 2017.

AAVAS FINANCIERS LIMITED is a Housing Finance Company registered with the National Housing Bank vide certificate of registration no. 04.0151.17 dated April 19, 2017 (the earlier certificate of registration bearing no. 02.0104.13 dated February 8, 2013 and No. 08.0095.11 dated August 4, 2011 was in the name of "Au Housing Finance Limited" and "Au Housing Finance Private limited" respectively).

The Shares of the Company were successfully listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") with effect from October 08, 2018.

AAVAS FINANCIERS LIMITED is engaged in the business of providing housing loans, primarily in the un-served, unreached and under-served market which include the States of Rajasthan, Maharashtra, Gujarat, Madhya Pradesh, Haryana, Delhi, Chattisgarh, Haryana, Punjab, Uttarakhand and Himachal Pradesh.

(a) **Details of Share Capital as on last quarter end, i.e., September 30, 2020:**

SHARE CAPITAL		AMOUNT (Rs.)
AUTHORIZED SHARE CAPITAL		
8,50,00,000 Equity Shares of Rs. 10/- each	(A)	85,00,00,000
Total Authorized Share capital		85,00,00,000
ISSUED & SUBSCRIBED SHARE CAPITAL		
7,83,84,065 Equity Shares of Rs. 10/- each	(B)	78,38,40,650
Total Issued Share Capital		78,38,40,650
PAID UP SHARE CAPITAL		
7,83,84,065 Equity Shares of Rs. 10/- each	(C)	78,38,40,650
Total paid up Capital		78,38,40,650

(b) **Changes in its capital structure as on last quarter end i.e., September 30, 2020 for the last five years:**

Date of Change (AGM/EGM)	Rs.	Particulars
18.03.2014	30,00,00,000/-	Company's authorized capital was increased from Rs. 27.25 Crores to Rs. 30.00 Crores by addition of Rs. 2.75 Crores Equity shares
05.02.2015	33,00,00,000/-	Company's authorized capital was increased from Rs. 30.00 Crores to Rs. 33.00 Crores by addition of Rs.



Date of Change (AGM/EGM)	Rs.	Particulars
		3.00 Crores Equity shares
01.09.2015	38,00,00,000/-	Company's authorized capital was increased from Rs. 33.00 Crores to Rs. 38.00 Crores by addition of Rs. 5.00 Crores Equity shares
07.03.2016	40,00,00,000/-	Company's authorized capital was increased from Rs. 38.00 Crores to Rs. 40.00 Crores by addition of Rs. 2.00 Crores Equity shares
27.05.2016	60,00,00,000/-	Company's authorized capital was increased from Rs.40.00 Crores to Rs. 60.00 Crores by addition of Rs. 20.00 Crores Equity shares
23-2-2017	65,00,00,000/-	Company's authorised capital was increased from Rs. 60.00 Crore to Rs 65.00 Crore by addition of Rs. 5.00 Crore
22-02-2018	85,00,00,000/-	Company's authorised capital was increased from Rs. 65.00 Crore to Rs 85.00 Crore by addition of Rs. 20.00 Crore

(c) **Equity Share Capital History of the Company as on last quarter end i.e. September 30, 2020 for the last five years:**

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No. of Equity Shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)	
15.03.2011	22,40,000	10	10	Cash	-	22,50,000	2,25,00,000	00.00	
10.03.2012	2,50,00,000	10	10	Cash	-	27250000	27,25,00,000	00.00	
29.03.2014	26,66,667	10	75	Cash	-	2,99,16,667	29,91,66,670	17,33,33,355	
06.02.2015	10,00,000	10	100	Cash	Private Placement	3,09,16,667	30,91,66,670	9,00,00,000	
28.02.2015	20,00,000	10	1	Cash	Private Placement	3,29,16,667	32,91,66,670	18,00,00,000	
30-09-2015	20,00,000	10	150	Cash	Private Placement	3,49,16,667	34,91,66,670	28,00,00,000	
19-11-2015	26,66,667	10	150	Cash	Private Placement	3,75,83,334	37,58,33,340	37,33,33,380	
30-03-2016	8,00,000	10	50	Cash	Private Placement	3,83,83,334	38,38,33,340	3,20,00,000	
30-05-2016	1,00,000	10	53	Cash	Private Placement	3,84,83,334	38,48,33,340	43,00,000	
03-06-2016	5,366,658	10	10	Bonus Issue		4,38,49,992	43,84,99,920	0.00	
23.06.2016	92,91,521	10	215.25	Cash	Right Issue	5,31,41,513	53,14,15,130	190,70,84,685	
23.06.2016	5,57,492	10	215.25	Cash	Right Issue	5,36,99,005	53,25,30,114	22,885,047	Partly paid up



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10.08.2016	1,85,830	10	215.2 5	Cash	Private Placement	5,38,84,83 5	53,43,88,414	38,141,608	
07.12.2016	1,62,602	10	215.2 5	Cash	Private Placement	5,40,47,43 7	53,47,13,618	6674812.10	Partly paid up
27.12.2016	46,458	10	215.2 5	Cash	Private Placement	5,40,93,89 5	53,51,78,198	9,535,505	
15.03.2017	46,45,762	10	215.2 5	Cash	Private Placement	5,87,39,65 7	58,16,35,818	95,35,42,65 1	
21.06.2017	N/A	N/A	N/A	N/A	N/A	5,87,39,65 7	58,30,76,006	2,95,59,859	
12.12.2017	432,500	10	328	Cash	Private Placement	5,91,72,15 7	58,39,41,006	2,75,07,000	Partly paid up
19.12.2017	264,662	10	328	Cash	Private Placement	5,94,36,81 9	58,65,87,626	8,41,62,516	
06.03.2018	12,22,551	10	215.2 5	Cash	ESOP Exercise	60,659,37 0	598,813,136	250,928,593	
28.03.2018	9,291,521	10	430.5 0	Cash	Right Issue	69,950,89 1	691,728,346	3,907,084,5 81	
08.06.2018*	-	-	-	-	Partly-paid Equity Shares issued on June 23, 2016 and December 7, 2016 were made fully paid-up	69,950,89 1	696,048,910	8,86,79,576. 1	
08.06.2018*	-	-	-	-	Partly-paid Equity Shares issued on December 12, 2017 were made fully paid-up	69,950,89 1	69,95,08,910	11,00,28,000	
08.06.2018	3,60,000	10	328	Cash	Conversion of 360,000 convertible share warrants	70,310,89 1	70,31,08,910	11,44,80,00 0	



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08.06.2018	4,40,000	10	430.50	Cash	Conversion of 440,000 convertible share warrants	70,750,891	70,75,08,910	18,50,20,000	
21.08.2018	7,49,054	10	215.25	Cash	Allotment pursuant to ESOP-2016	71,499,945	714,999,450	15,37,43,334	
21.08.2018	2,223,059	10	215.25	Cash	Allotment pursuant to ESOP-2016	73,723,004	737,230,040	45,62,82,860	
04.10.2018	43,84,897	10	821	Cash	Allotment pursuant to IPO	78,107,901	781,079,010	35,56,151,467	
28.08.2019	60,450	10	328.00	Cash	Allotment pursuant to ESOP-2016	78,168,351	781,683,510	19,223,100	
02.12.2019	121,890	10	215.25	Cash	Allotment pursuant to ESOP-2016	78,290,241	782,902,410	25,017,923	
02.12.2019	11,921	10	328.00	Cash	Allotment pursuant to ESOP-2016	78,302,162	783,021,620	3,790,878	
22.02.2020	19,738	10	215.25	Cash	Allotment pursuant to ESOP-2016	78,321,900	783,219,000	4,051,225	
22.02.2020	761	10	328.00	Cash	Allotment pursuant to ESOP-2016	78,322,661	783,226,610	241,998	
04.05.2020	1,700	10	215.25	Cash	Allotment pursuant to ESOP-2016	78,324,361	783,243,610	348,925	
31.08.2020	55,645	10	328.00	Cash	Allotment pursuant to ESOP-2016	7,83,80,006	78,38,00,060	17,695,110	
31.08.2020	4,059	10	215.25	Cash	Allotment pursuant to ESOP-2016	7,83,84,065	78,38,40,650	833,109.75	



**The Board by its resolution dated June 8, 2018 noted that the balance of ₹ 6 per equity share towards face value and ₹ 123.15 per equity share towards premium amount has been made fully paid-up.*

***The Board by its resolution dated June 8, 2018 noted that the balance of ₹ 8 per equity share towards face value and ₹ 254.40 per equity share towards premium amount has been made fully paid-up.*

(d) **Details of any Acquisition or Amalgamation in the last 1 (one) year:**

NIL

(e) **Details of any Reorganization or Reconstruction in the last 1 (one) year:**

NIL

5.6 Details of the shareholding of the Company as on the latest quarter end, i.e., September 30, 2020

(a) **Shareholding pattern of the Company as on last quarter end, i.e. September 30, 2020:**

Category of Shareholders	Total number of Shares	Shares held in Demat form	Percentage (%) of Shares
A. Promoters			
(1) Indian	-	-	-
(2) Foreign	-	-	-
a) Bodies Corp.	3,93,13,706	3,93,13,706	50.16
TOTAL SHAREHOLDING OF PROMOTER (A)	3,93,13,706	3,93,13,706	50.16
B. Public Shareholding			
1. Institutions			
a) Mutual Funds	31,55,731	31,55,731	4.02
b) Banks / FI	35,82,222	35,82,222	4.57
c) Others (Alternative Investment Fund and Foreign body Corporate)	2,49,01,425	2,49,01,425	31.77
Sub-total (B)(1):-	3,16,39,378	3,16,39,378	40.36
2. Non-Institutions			
a) Bodies Corp.			
i) Indian	-	-	-
ii) Overseas	-	-	-
b) Individuals	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	18,29,212	18,29,212	2.33
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	52,10,648	52,10,648	6.65
c) Others (specify)	-	-	-
NBFCs registered with RBI	-	-	-
Trusts	2,477	2,477	0.00
Hindu Undivided Family	30,356	30,356	0.04
Non Resident Indians (Non Repatriable)	34,403	34,403	0.04
Non Resident Indians (Repatriable)	52,057	52,057	0.07



Clearing Member	37,915	37,915	0.05
Bodies Corporate	2,33,913	2,33,913	0.30
Sub-total (B)(2):-	74,30,981	74,30,981	9.48
TOTAL PUBLIC SHAREHOLDING (B) = (B)(1) + (B)(2)	3,90,70,359	3,90,70,359	49.84
C. Shares held by Custodian for GDRs & ADRs	-	-	-
Grand Total (A+B+C)	7,83,84,065	7,83,84,065	100

Notes: Details of shares pledged or encumbered by the promoters (if any): Not Applicable

(b) **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. September 30, 2020:**

Sr. No.	Name of the Shareholders	Total no. of Equity Shares	No of Shares held in Demat Form	Shares as % of Total No. of Shares
1	Lake District Holdings Limited	2,31,40,827	2,31,40,827	29.52
2	Partners Group ESCL Limited	1,12,40,151	1,12,40,151	14.34
3	Partners Group Private Equity (Master Fund), LLC	49,32,728	49,32,728	6.29
4	Smallcap World Fund, Inc.	48,94,706	48,94,706	6.24
5	Au Small Finance Bank Limited	35,82,222	35,82,222	4.57
6	Sushil Kumar Agarwal	28,71,438	28,71,438	3.66
7	SBI Equity Hybrid Fund	19,00,000	19,00,000	2.42
8	Kotak Funds-India Midcap Funds	16,45,599	16,45,599	2.10
9	ST. James's Place Emerging Markets Equity Unit Trust Managed by Wasatch Advisors Inc	12,69,506	12,69,506	1.62
10	Buena Vista Asian Opportunities Master Fund Ltd	12,58,991	12,58,991	1.61

5.7 Following details regarding the directors of the Company*:

(a) **Details of the current directors of the Company:**

This table sets out the details regarding the Company's Board of Directors as on date of the Information Memorandum:

S. No.	Name, Designation and DIN	Age (years)	Address	Director of the company since	Details of other directorship
1.	Mr. Sandeep Tandon, (Chairperson of the Board and Independent Director) DIN: 00054553	50	Tandon Beach House, Plot 35-C/2, CTS No. 1069, Tps-2 Azad Road, Juhu Koliwada, Santacruz West, Mumbai 400 049, Maharashtra, India	27-07-2017	1. Radical Plastics Private Limited 2. Infinox Services Private Limited 3. Syрма Technology Private Limited 4. Tancom Electronics Private Limited 5. JT Holdings Private Limited 6. Ebony Electronics Private Limited 7. Welltime Gold and Investments Private Limited 8. Dreamplug Technologies Private Limited 9. Sgs Teknics Manufacturing



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S. No.	Name, Designation and DIN	Age (years)	Address	Director of the company since	Details of other directorship
					Private Limited
2	Mr. Sushil Kumar Agarwal (Managing Director and Chief Executive Officer) DIN: 03154532	44	19, Jagdamba Colony, Naya Kheda Ambabari, Jaipur, 302023, Rajasthan, India	23-02-2011	N/A
3	Mrs. Kalpana Iyer (Independent Director) DIN: 01874130	54	601, Ann Abode 18-A, St Martin Road, Bandra (W) Mumbai 400050, Maharashtra, India	23-06-2016	1. Svakarma Finance Private Limited
4	Mrs. Soumya Rajan (Independent Director) DIN: 03579199	49	Hill Park Building 2, Fiat-22,3rd Floor, Dr AG Bell Road, Malabar Hill Mumbai – 400006	29-08-2019	1. Waterfield Fund Managers Private Limited 2. Waterfield Advisors Private Limited 3. Waterfield Financial and Investment Advisors Private Limited 4. The Rajan family charitable foundation 5. Swami Swaprakashananda Education and Healthcare Foundation 6. S R Iyer and Srilata Iyer Music Foundation 7. Center for Study of Science Technology and Policy
5	Mr. Ramachandra Kasargod Kamath (Nominee Director) DIN: 01715073	65	B/2004, Neptune Chsl, Sun City, Adi Shankaracharya Marg, Powai Mumbai 400076, Maharashtra, India	14-07-2016	1. Spandana Sphoorty Financial Limited 2. Centrum Capital Limited 3. Manipal Technologies Limited 4. Conatus Finserv Private Limited 5. Ashimara Housing Private Limited 6. New Opportunity Consultancy Private Limited
6	Mr. Vivek Vig (Nominee Director) DIN: 01117418	58	1901, Flr : 19, Beaumonde, Appasaheb Marathe Mg, Prabhadevi Mumbai 400025, Maharashtra, India	14-07-2016	1. Centrum Housing Finance Limited 2. Svakarma Finance Private Limited 3. Svakarma Social Foundation 4. International Development Enterprises (India)
7	Mr. Nishant Sharma (Promoter Nominee Director) DIN: 03117012	41	Tower 2 APT 102 Planet Godrej Simplex Mills Mahalaxmi Mumbai 400 011, Maharashtra, India	23-06-2016	1. Vishal E-Commerce Private Limited 2. Vijaya Diagnostic Centre Private Limited 3. Aavas Finserv Limited 4. Veritas Finance Private Limited 5. Ami lifesciences Pvt. Ltd 6. Vishal Mega Mart Private Limited.
8	Mr. Manas Tandon (Promoter Nominee Director) DIN: 05254602	42	A-1402, 14th Floor, Lodha Bellissimo, N M Joshi Marg, Near Apollo Mill Compound, Mahalaxmi, Mumbai 400 011, Maharashtra, India	23-06-2016	1. Partners Group (India) Private Limited 2. Aavas Finserv Limited 3. Vishal Mega Mart Private Limited
9	Mr. Kartikeya Dhruv Kaji (Promoter Nominee Director) DIN: 07641723	37	The Imperial, Apartment 3901, B B Nakashe Marg, Tardeo AC Market, Tardeo, Tulsiwadi, Mumbai 400 034, Maharashtra, India	27-07-2017	1. Spandana Sphoorty Financial Limited 2. Criss Financial Holdings Limited 3. Care health insurance limited



*Company to disclose name of the current Directors who are appearing in the RBI defaulter list and/or Export Credit Guarantee Corporation of India Limited default list, if any: N.A

Confirmations

1. None of the Directors are identified as willful defaulters by the RBI, ECGC or any government authority.
2. Neither the Issuer nor any of its Promoters or Directors has been declared as a willful defaulter.

(b) Details of change in directors since last three years (as on September 30, 2020):

Name of Director	Date	Remark
Nishant Sharma	June 23, 2016	Appointment as non- executive nominee Director*
Manas Tandon	June 23, 2016	Appointment as non- executive nominee Director*
Sanjay Agarwal	June 23, 2016	Cessation as managing director
Uttam Tibrewal	June 23, 2016	Cessation as non-executive director
Mannil Venugopalan	June 23, 2016	Cessation as independent Director
Kalpana Iyer	June 23, 2016	Appointment as independent Director
Ramachandra Kasargod Kamath	July 14, 2016	Appointment as non-executive nominee Director**
Vivek Vig	July 14, 2016	Appointment as non-executive nominee Director**
Sandeep Tandon	July 27, 2017	Appointment as independent Director***
Kartikeya Dhruv Kaji	July 27, 2017	Appointment as non-executive nominee Director***
Sushil Kumar Agarwal	May 3, 2019	Change in Designation from WTD & CEO to MD & CEO****
Krishan Kant Rathi	August 28, 2019	Cessation as Independent Director
Soumya Rajan	August 29, 2019	Appointment as Additional Director in the capacity of Independent Director
Soumya Rajan	August 29, 2019	Appointment as Independent Director*****

* Appointment regularised pursuant to the shareholders' resolution dated June 24, 2016.

** Appointment regularised pursuant to the shareholders' resolution dated July 15, 2016

*** Appointment regularised pursuant to the shareholders' resolution dated August 17, 2017. Post the regularization, the appointment was made with effect from August 17, 2017.

**** Change in Designation pursuant to the shareholders' resolution dated August 01, 2019.

***** Appointment regularised pursuant to the shareholders' resolution dated July 22, 2020.

5.8 Details of Management of the Company

(a) Brief profile of Directors of the Company

Mr. Sandeep Tandon – Chairperson of the Board and Independent Director

He is the Chairperson of the Board and an Independent Director of Aavas. He holds a bachelor's degree in science (electrical engineering) from the University of Southern California. Additionally, Sandeep Tandon has completed the Harvard Business School YPO President Program. He has previously served as the Managing Director of Tandon Advance Device Private Limited and as a Director on the Board of Accelyst Solutions Private Limited. At present, Mr. Tandon is acting as the Executive Director of Syrma Technology Private Limited and serve as a Director in various Private Companies.



Mrs. Kalpana Iyer – Independent Director

She is an Independent Director of Aavas. She holds a bachelor's degree in commerce from the Madurai Kamaraj University. She is a qualified chartered accountant and a member of the Institute of Chartered Accountants of India. Kalpana Iyer was previously associated with Citibank N.A., India as its senior vice-president, during which she was responsible for women's banking and microfinance business. She has also previously held the position of a director at IncValue Advisors Private Limited. At present, she is acting as a Managing Director of Svakarma Finance Private Limited.

Mrs. Soumya Rajan –Independent Director

Mrs. Soumya Rajan is the Founder, MD and CEO of Waterfield Advisors, India's largest independent Multi-Family Office and Wealth Advisory firm that advises on assets of ~US\$3.5bn. She previously worked at Standard Chartered Bank India for 16 years, where she headed their Private Banking Division from 2008 to 2010. Prior to that, Ms. Rajan was the Head of SME Risk at Standard Chartered and spent 5 years in Credit and Risk Management both in India and Singapore. Ms. Rajan currently serves on the Boards of several non-profit organisations - Peepul, an education-based charity that focuses on creating a school transformation platform for government schools, as an Advisory Council Member of the Indian Institute of Technology (IIT) Gandhinagar's Research Park and Entrepreneurship Centre and as a Board Member of CSTEP, a research think tank that recommends public policy on the use of new emerging technologies for social and economic development in the areas of energy, environment and infrastructure. Ms. Soumya Rajan has a post graduate degree in Mathematics from Oxford University, UK and was recognized in 2019 by the Association of International Wealth Management of India as amongst India's Top 100 Women in Finance.

Mr. Sushil Kumar Agarwal - Managing Director and CEO

He has been associated with our Company since its incorporation in 2011. He is a qualified Chartered Accountant and Company Secretary with more than 19 years of professional experience in SME & Housing finance and financial services sector. He was previously associated with AU Small Finance Bank as its Business Head – SME & Mortgages. He has also worked with ICICI Bank Limited as its chief manager and with Kotak Mahindra Primus Limited as an Assistant Manager.

He has a versatile experience in the areas of retail finance, business development, financial management, administration and manpower management.

Mr. Ramachandra Kasargod Kamath – Nominee Director

He is a Nominee Director appointed on the Board of Aavas by Lake District and Kedaara AIF-1. He holds a bachelor's degree in commerce from the University of Mysore. He is a honorary Fellow of the Indian Institute of Banking and Finance. Further, Mr. Kamath is a Certified Associate of the Indian Institute of Bankers. He was previously associated with Corporation Bank as its General Manager; and with Punjab National Bank as its Chairman and Managing Director. Mr. Kamath has also served as the Chairman and Managing director of Allahabad Bank and as an Executive Director of Bank of India.

Mr. Vivek Vig – Nominee Director

He is a Nominee Director appointed on the Board of Aavas by ESCL and Master Fund. He holds a post-graduate diploma in management from Indian Institute of Management at Bangalore. Vivek Vig has previously served as the managing director and chief executive officer of Destimoney Enterprises Limited. Further, he was previously associated with the Centurion Bank of Punjab (which was subsequently merged with HDFC Bank) as its country head - retail bank and has also acted as a director on the board of PNB Housing Finance Limited. Additionally, in the past, he has



also been associated with Citibank N.A., India, where he has held various positions across the consumer bank.

Mr. Nishant Sharma – Promoter Nominee Director

Mr. Sharma is a Promoter Nominee Director appointed on the Board of Aavas by Lake District and Kedaara AIF-1. He is the Co-Founder and Partner of Kedaara Capital, a leading India focused private equity firm. Mr. Sharma has over 14 years of investment experience, encompassing the full lifecycle of private equity from sourcing investments across sectors, driving value creation to successfully divesting investments over this period. Before co-founding Kedaara, Mr. Sharma was at General Atlantic (“GA”) and co-led GA’s investments across financial services, healthcare, business services & technology including investments in IndusInd Bank, Jubilant Lifesciences, IBS Software among others. Prior to GA, Mr. Sharma worked as a management consultant with McKinsey & Company serving clients across IT/BPO, financial services, healthcare and public policy. In addition, Mr. Sharma worked at the Bill & Melinda Gates Foundation in setting up the largest HIV/AIDS prevention program in India. Mr. Sharma holds the Economic Times 40 under 40 award given to business leaders in India. Mr. Sharma holds an M.B.A. from Harvard Business School, and a Dual Degree (B.Tech. and M.Tech) in Biochemical Engineering and Biotechnology from Indian Institute of Technology, Delhi.

Mr. Manas Tandon – Promoter Nominee Director

Mr. Tandon is a Promoter Nominee Director appointed on the Board of Aavas by ESCL and Master Fund. He is the Head of Private Equity in Asia for Partners Group and is a member of its Private Equity Directs Investment Committee. Prior to joining Partners Group, Mr. Tandon co-led TPG Growth's investments in India, having started his investing career with Matrix Partners, where he was responsible for investments in mobility and financial services. Before that, Manas was engaged in designing and selling cutting-edge telecom solutions for start-ups such as MaxComm Technologies (acquired by Cisco Systems) and Camiant Inc (now part of Oracle). Mr. Tandon holds an MBA in Finance from The Wharton School of the University of Pennsylvania, where he was a Palmer Scholar, and a Bachelors Degree in Technology (Electrical Engineering) from the Indian Institute of Technology, Kanpur, where he was awarded the General Proficiency Medal for outstanding academic performance. Mr. Tandon holds eight US patents and is a member of the Mumbai chapters of the Young Presidents' Organization (YPO) and the Entrepreneurs' Organization (EO).

Mr. Kartikeya Kaji – Promoter Nominee Director

Mr. Kaji is a Promoter Nominee Director, and is appointed on the Board of Aavas by Lake District and Kedaara AIF-1. He is a Director at Kedaara Capital, a leading India-focused private equity firm, where he leads the financial services investing practice. Mr. Kaji has over 9 years of investment experience, encompassing the full lifecycle of private equity, across geographies and sectors. Prior to Kedaara, Mr. Kaji was at the Mumbai office of the global investment firm Temasek Holdings, where he focused on public and private market investments across sectors. Previously, he worked as investment banker in New York, first at Merrill Lynch & Co., and then at leading boutique firm Perella Weinberg Partners. Mr. Kaji holds an MBA from The Wharton School of the University of Pennsylvania, and a Bachelor of Arts in Economics from Dartmouth College. He is a member of the Mumbai chapter of the Entrepreneurs' Organization.

(b) **Brief profile of Key Managerial Personnel**

S. No.	Name of Key Management Personnel	Brief Profile
1	Mr. Ghanshyam Rawat (Chief Financial Officer)	Mr. Ghanshyam Rawat is a Chartered Accountant by Qualification having the vast experience of 23 years in Finance, Service and Manufacturing industry for corporate finance, Funds Raising, Treasury Management, Forex & Interest Risk



S. No.	Name of Key Management Personnel	Brief Profile
		management, Merger & Acquisition, Finalization of accounts, IFRS & SAP System.
2	Mr. Sharad Pathak (Company Secretary and Compliance officer)	He is our Company Secretary and Compliance Officer. He holds a bachelor's degree in commerce from the Rajasthan University and is a fellow Company Secretary. He had been associated with Star Agriwarehousing & Collateral Management Limited as Company Secretary. He has been with the Company since inception.

5.9 Remuneration of directors (during the current year and last three financial years)

Details of the remuneration paid to the Directors including sitting fees for attending Board and Committee meetings during the last three financial years are as follows:-

Particulars	Current Year	2019-2020	2018-2019	2017-2018
Remuneration (in lakh)	223.87	310.91	265.66	245.86

5.10 Disclosures with regard to Interest of Directors

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons. - Nil

5.11 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor since	Remark
M/s. S.R. BATLIBOI & ASSOCIATES LLP	12 th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (W), Mumbai - 400 028, Maharashtra	11.07.2015	NA

(b) Details of change in auditors since last three years:

There is No change in the auditors since last three years.

(c) Auditors Qualifications:

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Disclosure Document and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.

For the year 2015-16 - Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2016-17 - Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2017-18 - Auditors' reservations or qualifications or adverse remarks: - Nil



For the year 2018-19 - Auditors' reservations or qualifications or adverse remarks: - Nil

For the year 2019-20 - Auditors' reservations or qualifications or adverse remarks: - Nil

5.12 Details of borrowings of the Company, as on latest quarter end September 30, 2020:

(a) Details of Secured Loan Facilities (as on September 30, 2020):

➤ Cash credit facility:

S. No.	Ledger's Name	Type of Facility	Amount Sanctioned (in crs.)	Principal Amount Outstanding As on 30 th September, 2020 (in crs.)	Repayment Date / Schedule	Security
1	Axis Bank	Cash Credit	25.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
2	Central Bank of India	Cash Credit	20.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
3	HDFC BANK	Cash Credit	40.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
4	ICICI Bank	Cash Credit	10.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
5	INDUSIND BANK	Cash Credit	18.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
6	Kotak Mahindra Bank	Cash Credit	4.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
7	RBL Bank	Cash Credit	25.00	0.00	Repayable on demand	Hypothecation of receivables of loan assets / book debts
	Total		142.00	0.00		

➤ Term Loan facility

S. No.	Lender's Name	Type of Facility	Amount Sanctioned (in crs.)	Principal Amount Outstanding As on 30 th September, 2020 (in crs.)	Repayment Date / Schedule	Security
1	Indian Bank (Allahabad Bank)	Term Loan	50.00	22.89	Repayable in 72 monthly installments. Maturity in Dec-2023	Hypothecation of receivables of loan assets / book debts
		Term Loan	60.00	51.97	Repayable in 120 monthly installments. Maturity in Nov-2029	Hypothecation of receivables of loan assets / book debts
2	Union Bank of India	Term Loan	25.00	0.00	Repayable in 78 Monthly installments.	Hypothecation of receivables of



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	(Andhra Bank)				Maturity on 21 January, 2021	loan assets / book debts
		Term Loan	25.00	13.89	Repayable in 36 Quarterly installments. Maturity on 28 March, 2026	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	30.55	Repayable in 36 Quarterly installments. Maturity in March, 2028	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	77.74	Repayable in 36 Quarterly installments. Maturity on 12 July, 2026	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	10.00	Repayable in 36 Quarterly installments. Maturity in December, 2029	Hypothecation of receivables of loan assets / book debts
3	AXIS BANK	Term Loan	50.00	29.15	Repayable in 36 quarterly instalments. Maturity on 31 March, 2026	Hypothecation of receivables of loan assets / book debts
		Term Loan	150.00	112.49	Repayable in 36 quarterly instalments. Repayable on 1 Jan, 2028	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	87.50	Repayable in 32 quarterly instalments. Maturity on 30 Sep, 2027.	Hypothecation of receivables of loan assets / book debts
4	BANK of BARODA	Term Loan	25.00	8.64	Repayable in 25 quarterly instalments Maturity on 12-Jun, 2023.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	48.43	Repayable in 108 monthly instalments Maturity in March, 2026.	Hypothecation of receivables of loan assets / book debts
		Term Loan	15.00	9.84	Repayable in 24 Quarterly installments. Maturity in September 2024.	Hypothecation of receivables of loan assets / book debts
		Term Loan	35.00	28.70	Repayable in 36 Quarterly installments Maturity in March, 2028.	Hypothecation of receivables of loan assets / book debts
5	BANK of INDIA	Term Loan	25.00	2.11	Repayable in 24 equal quarterly instalments Maturity on 30 June, 2021.	Hypothecation of receivables of loan assets / book debts
	Canara Bank	Term Loan	50.00	33.31	Repayable in 36 Quarterly installments Maturity in Mar, 2027.	Hypothecation of receivables of loan assets / book debts



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		Term Loan	100.00	72.22	Repayable in 36 Quarterly installments Maturity in September 2027.	Hypothecation of receivables of loan assets / book debts
7	Central Bank of India	Term Loan	100.00	72.11	Repayable in 36 Quarterly installments Maturity in August 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	94.43	Repayable in 36 Quarterly installments Maturity in September 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	190.00	100.00	Repayable in 36 Quarterly installments Maturity in March 2030.	Hypothecation of receivables of loan assets / book debts
8	Union Bank of India (Corporation Bank)	Term Loan	50.00	48.24	Repayable in 114 Monthly installments Maturity on 5 April 2029.	Hypothecation of receivables of loan assets / book debts
9	Federal Bank	Term Loan	25.00	18.75	Repayable in 20 Quarterly installments. Maturity on 30 Nov, 2024.	Hypothecation of receivables of loan assets / book debts
			25.00	18.75	Repayable in 20 Quarterly installments. Maturity on 31 Dec, 2024.	Hypothecation of receivables of loan assets / book debts
10	HDFC BANK	Term Loan	25.00	13.93	Repayable in 32 quarterly instalments Maturity on 7 Jan, 2025.	Hypothecation of receivables of loan assets / book debts
		Term Loan	25.00	14.04	Repayable in 32 quarterly instalments Maturity on 7 Feb, 2025.	Hypothecation of receivables of loan assets / book debts
		Term Loan	60.00	37.21	Repayable in 60 monthly instalments Maturity on 7 July, 2023.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	74.38	Repayable in 60 monthly instalments Maturity in March, 2024.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	100.00	Repayable in 96 monthly instalments Maturity in September, 2028.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	94.03	Repayable in 96 monthly instalments Maturity in January, 2028.	Hypothecation of receivables of loan assets / book debts
	IDBI BANK	Term Loan	25.00	0.96	Repayable in 78 monthly instalments.	Hypothecation of receivables of



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					Maturity on 31 December, 2020.	loan assets / book debts
		Term Loan	100.00	56.14	Repayable in 114 monthly instalments Maturity in January, 2026.	Hypothecation of receivables of loan assets / book debts
12	Indian Bank	Term Loan	100.00	78.36	Repayable in 36 yearly installments Maturity in August, 2028.	Hypothecation of receivables of loan assets / book debts
13	Karnataka Bank	Term Loan	25.00	13.19	Repayable in 36 quarterly instalments Maturity on 30 November, 2025	Hypothecation of receivables of loan assets / book debts
		Term Loan	25.00	16.66	Repayable in 36 quarterly instalments Maturity on 31 March, 2027.	Hypothecation of receivables of loan assets / book debts
14	Kotak Mahindra Bank	Term Loan	20.00	7.00	Repayable in 20 quarterly instalments. Maturity on 30 May 2022.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	37.50	Repayable in 20 quarterly instalments. Maturity in May 2024.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	37.50	Repayable in 20 quarterly instalments. Maturity in June 2024.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	42.50	Repayable in 20 quarterly instalments. Maturity in Dec 2024.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	36.00	Repayable in 20 quarterly instalments. Maturity in Feb 2025.	Hypothecation of receivables of loan assets / book debts
15	Punjab National Bank	Term Loan	50.00	24.95	Repayable in 36 quarterly instalments. Maturity in July 2025.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	34.72	Repayable in 36 quarterly instalments. Maturity in July 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	15.00	12.08	Repayable in 36 quarterly instalments. Maturity in June 2028.	Hypothecation of receivables of loan assets / book debts
		Term Loan	85.00	70.83	Repayable in 36 quarterly instalments. Maturity in June 2028.	Hypothecation of receivables of loan assets / book debts



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		Term Loan	50.00	45.83	Repayable in 36 quarterly instalments. Maturity in September 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	47.22	Repayable in 36 quarterly instalments. Maturity in December 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	25.00	Repayable in 36 quarterly instalments. Maturity in July 2030.	Hypothecation of receivables of loan assets / book debts
		Term Loan	55.00	36.54	Repayable in 36 quarterly instalments. Repayable on 30 June, 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	47.22	Repayable in 36 quarterly instalments. Repayable in September, 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	200.00	100.00	Repayable in 36 quarterly instalments. Maturity in March 2030.	Hypothecation of receivables of loan assets / book debts
16	SBI Life Insurance	Term Loan	100.00	87.5	Repayable in 16 half yearly instalments. Maturity in September 2027.	Hypothecation of receivables of loan assets / book debts
17	South Indian Bank	Term Loan	20.00	12.22	Repayable in 36 Quarterly instalments Maturity in April, 2026.	Hypothecation of receivables of loan assets / book debts
		Term Loan	25.00	16.60	Repayable in 36 Quarterly instalments Maturity in January, 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	30.00	22.49	Repayable in 36 Quarterly installments. Maturity in December, 2027.	Hypothecation of receivables of loan assets / book debts
18	State Bank of India	Term Loan	50.00	26.45	Repayable in 108 Quarterly installments. Maturity on 31 December, 2025.	Hypothecation of receivables of loan assets / book debts
		Term Loan	130.00	79.28	Repayable in 36 Quarterly installments. Maturity on 31 December, 2026.	Hypothecation of receivables of loan assets / book debts
		Term Loan	200.00	50.00	Repayable in 36 Quarterly installments. Maturity in Aug 30	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	26.31	Repayable in 36 Quarterly installments.	Hypothecation of receivables of



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					Maturity on 31 March, 2026.	loan assets / book debts
19	Canara Bank (Syndicate Bank)	Term Loan	12.50	11.19	Repayable in 36 Quarterly installments. Maturity on 31 May, 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	12.50	11.19	Repayable in 36 Quarterly installments. Maturity on 31 May, 2029.	Hypothecation of receivables of loan assets / book debts
20	UCO BANK	Term Loan	25.00	0.00	Repayable in 78 monthly instalments Maturity on 28 February, 2022.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	36.10	Repayable in 36 Quarterly installments. Maturity in August, 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	50.00	47.22	Repayable in 36 Quarterly installments. Maturity in September, 2029.	Hypothecation of receivables of loan assets / book debts
		Term Loan	100.00	99.98	Repayable in 36 Quarterly installments. Maturity in November, 2029.	Hypothecation of receivables of loan assets / book debts
21	Union Bank	Term Loan	60.00	42.39	Repayable in 36 quarterly instalments. Repayable in June 2027.	Hypothecation of receivables of loan assets / book debts
		Term Loan	75.00	75.00	Repayable in 36 quarterly instalments. Repayable in March 2030.	Hypothecation of receivables of loan assets / book debts
22	NHB	Term Loan	5.00	0.83	Equal quarterly instalments. Maturity Date: 01-Jul-30.	Hypothecation of receivables of loan assets / book debts
		Term Loan	5.00	0.23	Equal quarterly instalments. Maturity Date: 01-Jul-30.	Hypothecation of receivables of loan assets / book debts
		Term Loan	2.00	0.87	Equal quarterly instalments. Maturity Date: 01-Jul-30.	Hypothecation of receivables of loan assets / book debts
		Term Loan	5.82	0.4	Equal quarterly instalments. Maturity Date: 01-Jul-22.	Hypothecation of receivables of loan assets / book debts
		Term Loan	10.00	0.23	Equal quarterly instalments. Maturity Date: 01-Oct-21.	Hypothecation of receivables of loan assets / book debts



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Term Loan	18.84	6.80	Equal quarterly instalments. Maturity Date: 01-Jan-28.	Hypothecation of receivables of loan assets / book debts
Term Loan	6.16	1.66	Equal quarterly instalments. Maturity Date: 01-Jan-30	Hypothecation of receivables of loan assets / book debts
Term Loan	25.00	7.54	Equal quarterly instalments. Maturity Date: 01-Jun-30.	Hypothecation of receivables of loan assets / book debts
Term Loan	25.00	11.38	Equal quarterly instalments. Maturity Date: 01-Jun-30.	Hypothecation of receivables of loan assets / book debts
Term Loan	15.00	6.04	Equal quarterly instalments. Maturity Date: 01-Jan-28.	Hypothecation of receivables of loan assets / book debts
Term Loan	10.00	2.49	Equal quarterly instalments. Maturity Date: 01-Jan-31.	Hypothecation of receivables of loan assets / book debts
Term Loan	45.00	28.24	Equal quarterly instalments. Maturity in March 2032	Hypothecation of receivables of loan assets / book debts
Term Loan	100.00	45.60	Equal quarterly instalments. Maturity in June 2032	Hypothecation of receivables of loan assets / book debts
Term Loan	55.00	31.45	Equal quarterly instalments. Maturity in June 2032	Hypothecation of receivables of loan assets / book debts
Term Loan	25.01	27.60	Equal quarterly instalments. Maturity in Oct 2032	Hypothecation of receivables of loan assets / book debts
Term Loan	26.40	15.57	Equal quarterly instalments. Maturity in Oct-27	Hypothecation of receivables of loan assets / book debts
Term Loan	35.72	16.64	Equal quarterly instalments. Maturity in Jan-31	Hypothecation of receivables of loan assets / book debts
Term Loan	10.00	7.45	Equal quarterly instalments. Maturity in Apr-32	Hypothecation of receivables of loan assets / book debts
Term Loan	48.70	34.27	Equal quarterly instalments. Maturity in	Hypothecation of receivables of



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			Mar-25	loan assets / book debts
Term Loan	50.01	39.31	Equal quarterly instalments. Maturity in Apr-33	Hypothecation of receivables of loan assets / book debts
Term Loan	40.00	32.35	Equal quarterly instalments. Maturity in Jan-26	Hypothecation of receivables of loan assets / book debts
Term Loan	60.00	51.94	Equal quarterly instalments. Maturity in Jan-34	Hypothecation of receivables of loan assets / book debts
Term Loan	40.00	32.35	Equal quarterly instalments. Maturity in Jan-26	Hypothecation of receivables of loan assets / book debts
Term Loan	60.00	44.94	Equal quarterly instalments. Maturity in Jan-34	Hypothecation of receivables of loan assets / book debts
Term Loan	120.00	98.88	Equal quarterly instalments. Maturity in Jan-34	Hypothecation of receivables of loan assets / book debts
Term Loan	80.00	64.65	Equal quarterly instalments. Maturity in Jan-26	Hypothecation of receivables of loan assets / book debts
Term Loan	77.00	63.69	Equal quarterly instalments. Maturity in Jan-34	Hypothecation of receivables of loan assets / book debts
Term Loan	23.00	18.12	Equal quarterly instalments. Maturity in Jan-26	Hypothecation of receivables of loan assets / book debts
Term Loan	120.00	111.90	Equal quarterly instalments. Maturity in Jan-30	Hypothecation of receivables of loan assets / book debts
Term Loan	80.00	73.00	Equal quarterly instalments. Maturity in Jan-27	Hypothecation of receivables of loan assets / book debts
Term Loan	200.00	198.00	Equal quarterly instalments. Maturity in Oct-30	Hypothecation of receivables of loan assets / book debts
Term Loan	366.00	366.00	Bullet repayment. Maturity in May-21	Hypothecation of receivables of loan assets / book debts



		Term Loan	57.00	57.00	Equal quarterly instalments. Maturity in Jul-27	Hypothecation of receivables of loan assets / book debts
		Term Loan	137.00	137.00	Equal quarterly instalments. Maturity in Jul-30	Hypothecation of receivables of loan assets / book debts
		Total	6083.66	4368.55		

(b) **Details of Unsecured Facilities (as on September 30, 2020):**

Company does not have any unsecured loan facilities outstanding as on the quarter ended on September 30, 2020.

(c) **Details of Non-Convertible Debentures: (as on September 30, 2020):**

S. No.	Debenture Series	Tenor / Period of Maturity	Coupon (p.a.)	Amount (Rs. in crores)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Details of Security
1	Not Applicable	4 year 10 Months	8.43%	130.00	18-Jul-17	18 th May, 2022	ICRA AA-Stable	Secured	Hypothecation of receivables of loan assets / book debt to the extent of 110%
2	Not Applicable	6 years	9.49%	100.00	22-Dec-17	22nd Dec 2023	CARE AA-Stable	Unsecured	-
3	Not Applicable	5 years	8.90%	10.00	17-Apr-18	17-Apr-23	ICRA AA-Stable	Secured	Hypothecation of receivables of loan assets / book debt to the extent of 110%
4	Not Applicable	7 Years	8.93%	200.00	20-Dec-18	20-Dec-25	-	Unsecured	-
5	Not Applicable	5 Years	8.39%	345.00	16-Sep-19	15-Sep-24	CARE AA-Stable	Secured	Hypothecation of receivables of loan assets / book debt to the extent of 110%
6	Not Applicable	8 Years	8.645%	444.40	30-Mar-20	13 Half yearly instalments. Final maturity at 30 March 2028	CARE AA-Stable	Secured	Hypothecation of receivables of loan assets / book debt to the extent of 110%
7	Not Applicable	1 Year 6 Months	6.60%	150.00	22-Jun-20	22-Dec-21	ICRA AA-Stable	Secured	Hypothecation of receivables of loan assets / book debt to



S. No.	Debenture Series	Tenor / Period of Maturity	Coupon (p.a.)	Amount (Rs. in crores)	Date of Allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Details of Security
									the extent of 110%
Total				1379.40					

(d) **List of Top 10 Debenture Holder(s) (as on September 30, 2020):**

S. No.	Name of Debenture Holders	Amount (Rs. In crore)
1	INTERNATIONAL FINANCE CORPORATION	475.00
2	ASIAN DEVELOPMENT BANK	444.40
3	CENTRAL BANK OF INDIA	150.00
4	AU SMALL FINANCE BANK LIMITED	75.00
5	ICICI PRUDENTIAL CREDIT RISK FUND	25.00
6	Max Life Insurance Company Limited A/c - ULIF00125/06/04LIFEGROWTH104 - Growth Fund	10.00

(e) **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc) on behalf of whom it has been issued. (if any):**

Not applicable

(f) **Details of Commercial Paper:**

Company does not have any Commercial Papers Outstanding as on the quarter ended on September 30, 2020.

(g) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on September 30, 2020:**

Not Applicable

(h) **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 5 years:**

Not Applicable

(i) **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

Not Applicable

(j) **The details of Debentures issued at a discount and outstanding as September 30, 2020 is given hereunder:**

NIL

The details of Debentures issued at a premium and outstanding as on September 30, 2020 is given hereunder:



NIL

5.13 Details of Promoters of the Company:

Details of Promoter Holding in Company as on latest quarter end, i.e. September 30, 2020:

Sr. No.	Name of the shareholders	Total no. of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1	Lake District Holdings Limited	23140827	23140827	29.52	-	-
2	Partners Group ESCL Limited	11240151	11240151	14.34	-	-
3	Partners Group Private Equity (Master Fund), LLC	4932728	4932728	6.29		

*Promoters includes Promoter Group

5.14 Abridged version of the Audited Consolidated and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications, if any.

Attached to this Information Memorandum in Annexure V.

5.15 Abridged version of Latest Audited/ Limited Review Half-yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

Attached to this Information Memorandum in Annexure V.

5.16 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The World Health Organization (WHO) on March 11, 2020 declared the outbreak of Coronavirus (COVID-19) as a global "pandemic". The declaration from WHO came at a time when COVID-19 cases rapidly increased across the world. The spread of virus has triggered panic across the world and financial markets.

Like some of the other countries in the World, the virus' impact led the Hon'ble Prime Minister of India, Shri Narendra Modi to announce a lockdown across the country from March 25, 2020 to restrict it from spreading further and to break the cycle of infection. As a result, the Country's economy activities came to a standstill. However, Company's BCP was operational. Under the 2nd lockdown approximately 60% of branches of the Company were operational with essential staff. This kept on increasing with every subsequent lockdown and the Company is trying to reach its normal pre-covid level.

Names of the Debentures Trustees and Consents thereof.



The Debenture Trustee of the proposed Debentures is **IDBI Trusteeship Services Limited**. IDBI Trusteeship Services Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Information Memorandum and in all subsequent periodical communications sent to the Debenture Holders, in accordance with regulation 4(4) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

5.18 Rating Rationale(s) adopted (not older than one year on the date of opening of the Issue)/ credit rating letter issued (not older than one month on the date of opening of the Issue).

The Rating Agency has assigned a rating of "ICRA AA- (Stable)" (pronounced 'Double A minus' with "Stable"). Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating letters from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

5.19 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

NIL

5.20 Copy of consent letter from the Debenture Trustee

The consent letter from Debenture Trustee and also the Terms and conditions of debenture trustee agreement, including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee, is provided in **Annexure III** of this Information Memorandum.

5.21 Names of all the recognized stock exchanges where the debt securities are proposed to be listed:

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

5.22 Other details:

(a) Debenture Redemption Reserve ("DRR") Creation:

As per the provisions of the Companies Act, pursuant to Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules 2014 as amended by the Companies (Share Capital and Debentures) Amendment Rules, 2014, Housing Finance Companies registered with the National Housing Bank issuing privately placed debentures are not required to create DRR, hence requirement to create a DRR is not applicable on the Company.

The Company will create and maintain a Debenture Redemption Reserve and/or Debenture Redemption Fund, if applicable, as per the provisions of the Companies Act and other Applicable Law, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance of the Debenture Redemption Reserve and/or Debenture Redemption Fund, the Company shall abide by such guidelines and execute all such



supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary.

(b) Issue / instrument specific regulations:

The shareholders of the Company, subject to the Memorandum and Articles of Association of the Company, have passed a resolution under Section 180(1)(c) of the Companies Act, 2013 in a meeting held on July 22, 2020 which prescribes the maximum monetary limit for the purpose of borrowing as Rs. 12,500 Crores. The aggregate value of Debentures offered through this document is within the approved borrowing limits.

Further, the Issue of Debentures offered through this Information Memorandum is being made pursuant to the resolution under Section 179(3)(c) of the Companies Act. Board of Directors of the Company, passed at their meeting held on May 14, 2020 which authorises the Company to Issue Debentures and list them on BSE for an amount not more than Rs. 3,500 Crores.

(c) Application process:

The application process for the Issue is as provided in SECTION 7: of this Information Memorandum.

5.23 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The contracts and documents referred to hereunder are material to the Issue, may be inspected at the Registered Office of our Company between 10.00 am to 4.00 pm on working days.

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer
2	Shareholders Resolution dated July 22, 2020 authorising the Board of Directors to borrow and create security in relation thereto, for the purpose of the Company, upon such terms as the Board may think fit, up to an aggregate limit of Rs. 12,500 Crores
3	Shareholders Resolution dated July 22, 2020, authorizing the issue/offer of non-convertible debentures by the Company and creation of security thereto
4	Copy of the resolution passed by the Board of Directors dated May 14, 2020, approving the issuance of non-convertible debentures on private placement basis to the extent of Rs. 3,500 Crores.
5	Executive Committee Resolution dated December 25, 2020 authorizing Issue of Debentures offered under terms of this Disclosure Document
6	Copies of Annual Reports of our Company for the last three Financial Years
7	Credit rating letters from the Rating Agency
8	Letter from IDBI Trusteeship Services Limited giving its consent to act as Debenture Trustee
9	Letter for Register and Transfer Agent
10	Certified true copy of the certificate of incorporation of the Company
11	Certified true copy of the tripartite agreement between the Company, the R & T Agent and the NSDL



5.24 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of upto Rs. 100,00,00,000/- (Rupees One Hundred Crores only) (including green shoe option of an amount upto Rs. 90,00,00,000/- (Rupees Ninety Crores Only)) by issue of Rated, Listed, Senior, Secured, Redeemable, Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Paragraph 5.27 of this Information Memorandum.

5.25 Issue Size

The aggregate issue size for the Debentures is of Rs. 100,00,00,000/- (Rupees One Hundred Crores only) (including green shoe option of an amount upto Rs. 90,00,00,000/- (Rupees Ninety Crores Only)).

5.26 Utilization of the Issue Proceeds

The proceeds shall be used for the general corporate purposes and / or for onward lending of mortgage loan in the course of business of the Company.

Pending the full utilization of the proceeds from the Issue for the purpose set out above, the Company shall be entitled to invest the Issue proceeds in money market instruments and/or mutual funds and/or deposits with banks.

The Issuer undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent Company/associates.

5.27 Issue Details

Security Name	6.63% AAVAS FINANCIERS LIMITED, DEC 25
Issuer	Aavas Financiers Limited
Type of Instrument	Rated, Listed, Senior, Secured, Redeemable, Non-convertible Debentures with face value of Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture.
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<p>The investor to whom this Disclosure Document is specifically addressed, is eligible to apply for this private placement of Debentures subject to fulfilling its respective investment norms/rules and compliance with laws applicable to it by submitting all the relevant documents along with the Application Form. The persons to whom the Disclosure Document has been circulated to, may include but not limited to:</p> <ol style="list-style-type: none">1. Individuals2. Hindu Undivided Family3. Trust4. Limited Liability Partnerships5. Partnership Firm(s)



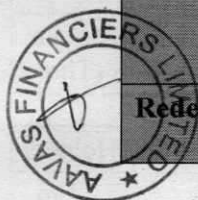
	<ol style="list-style-type: none"> 6. Portfolio Managers registered with SEBI 7. Association of Persons 8. Companies and Bodies Corporate including Public Sector Undertakings 9. Commercial Banks 10. Regional Rural Banks 11. Financial Institutions 12. Insurance Companies 13. Mutual Funds 14. Foreign Institutional Investors 15. Other foreign entities allowed by SEBI and RBI 16. Any other investor eligible to invest in these Debentures
Listing	<p>This issue of Debentures will be listed on Wholesale Debt Market (WDM) Segment of the BSE Limited.</p> <p>The Company shall forward the listing application to the BSE Limited and procure permission for listing of Debentures from the same within the 4 trading days from the closure of the issue. In case of delay in listing of the Debentures beyond 4 trading days from the closure of the issue, the Company will: (A) pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investor; and (B) be permitted to utilize the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from the Stock Exchange.</p>
Rating of the Instrument	"ICRA AA- (Stable)" (pronounced 'Double A minus' with "Stable" outlook)
Issue Size	Private placement of up to Rs. 10,00,00,000/- (Rupees Ten Crores only) with green shoe option to retain oversubscription of an amount of up to Rs. 90,00,00,000/- (Rupees Ninety Crores only) aggregating up to Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
Option to retain oversubscription	Green shoe option to retain oversubscription of an amount of up to Rs. 90,00,00,000/- (Rupees Ninety Crores only)
Objects of the Issue	The monies raised through the issue the Debentures shall be used for: (i) general corporate purposes; and/or (ii) on-lending of mortgage loans.
Details of the utilization of the Proceeds	<p>The monies raised through the issue the Debentures shall be used for: (i) general corporate purposes; and/or (ii) on-lending of mortgage loans.</p> <p>Pending the full utilization of the proceeds from the Issue for the purpose set out above, the Company shall be entitled to invest the Issue proceeds in money market instruments and/or mutual funds and/or deposits with banks.</p> <p>No part of the proceeds from the Issue shall be utilized directly/indirectly towards the purposes which are restricted by RBI and/or NHB from time to time.</p>



Coupon Rate	<p>Subject to the provisions set out under “Step Up/ Step Down Coupon Rate” the coupon payable on the Debentures (“Coupon Rate”) shall be floating rate linked to the Repo Rate (“Reference Rate”) plus 2.63% (“Spread Rate”) per annum (“Coupon Rate”).</p> <p>On the date of the Information Memorandum prevailing Reference Rate is 4.00% and accordingly prevailing Coupon Rate is 6.63% per annum (Reference Rate plus Spread Rate).</p> <p>The Reference Rate is subject to reset at yearly interval from the deemed date of Allotment. e.g. if deemed date of allotment is December 31, 2020 then the next reset of Reference Rate happen on December 31, 2021 based on the prevailing Reference Rate on December 30, 2021 and accordingly revised Coupon Rate will be revised Reference Rate plus 2.63% per annum from December 31, 2021 subject to the provisions set out under “Step Up/ Step Down Coupon Rate”</p> <p>Repo Rate means the Policy Repo Rate reported by RBI, which is published on RBI’s website (www.rbi.org.in) (or any successor page)</p>
Step Up/ Step Down Coupon Rate	<p>Without the need for any further act or deed of the parties:</p> <p>(a) in the event of rating downgrade of the Debentures by Rating Agency, the Spread Rate will be stepped up by 0.25% (Zero Decimal Point Two Five Percent) for every notch of rating downgrade, over and above the prevailing Spread Rate immediately prior to such rating downgrade.</p> <p>(b) in the event of rating upgrade of the Debentures by Rating Agency, the Spread Rate will be stepped down by 0.25% (Zero Decimal Point Two Five Percent) for every notch of rating upgrade, from the prevailing Spread Rate immediately prior to such rating upgrade.</p> <p>Such enhanced / decreased Spread Rate (resultantly Coupon Rate) shall be applicable immediately from the date of the rating downgrade / upgrade, as the case may be, by Rating Agency.</p>
Coupon Payment Frequency	Quarterly Basis
Coupon Payment Dates	Subject to the provisions set out under “ Business Day Convention ” coupon payment dates will be on March 31, June 30, September 30 and December 31 of each year, whereby (unless the Debentures are redeemed prior to the Maturity Date) the last scheduled coupon payment on Final Schedule Maturity Date .
Coupon Type	Floating rate linked to Repo Rate. Please refer to the details provided in section ‘ Coupon Rate ’ above.
Day Count Basis	The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year).
Interest on Application Money	The Company shall be liable to pay the Debenture Holders



	<p>interest on application money, at the Coupon Rate for the period commencing from the credit of the subscription monies in respect of the Debentures in the account of the ICCL, in accordance with the EBP Guidelines and ending on the date falling 1 (One) day prior to the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders on the first Coupon Payment Date.</p>
Default Interest Rate	<p>Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any default, in case of failure by the Company in the performance of its obligations under the Transaction Documents, including making payment of the Outstanding Amounts on the dates when they become due and payable, the Company shall be liable to pay Default Interest which shall be calculated at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate ("Default Interest").</p> <p>In case of delay in listing of the Debentures beyond 4 trading days from the closure of the issue, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Debentures, to the investor;</p>
Tenure	60 (Sixty) months from the Deemed Date of Allotment
Redemption Dates / Scheduled Maturity Date	<p>The date falling on the expiry of 60 (Sixty) months from the Deemed Date of Allotment being December 31, 2025 ("Final Schedule Maturity Date").</p> <p>Subject to the provisions set out under "Business Day Convention", the principal amount of the Debentures shall be repaid by the Company to the holders of the Debentures in 20 equal quarterly installments of Rs. 50,000/- (Rupees Fifty Thousand Only) per Debenture on March 31, June 30, September 30 and December 31 of each year, whereby (unless the debentures are redeemed prior to the Final Schedule Maturity Date) the last redemption payment will on Final Schedule Maturity Date.</p> <p>The Company shall have an option to make the payments of the Outstanding Amounts payable on the Scheduled Redemption Dates / Coupon Payment Dates, one day prior to the Scheduled Redemption Dates or the Coupon Payment Dates, as the case may be, to avoid any delay on account of administrative or technical error. In the event that the Company exercises such option, the Coupon payable would be calculated to reflect the actual number of days elapsed as per the Day Count Basis.</p>
Redemption Amount	The principal amount of the Debentures shall be repaid by the Company to the holders of the Debentures in 20 equal quarterly



	installments of Rs. 50,000/- (Rupees Fifty Thousand Only) per Debenture on the schedule Redemption Dates.																
Redemption Premium / Discount	NA																
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture																
Discount at which security is issued and the effective yield as a result of such discount	NA																
Put Option / Prepayment Option	NA																
Put option date	NA																
Put option price	NA																
Put notification time	NA																
Call Option / Voluntary Prepayment	NA																
Call option date	NA																
Call option price	NA																
Call notification time	NA																
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debentures																
Minimum Application size	10 (Ten) Debentures and in multiples of 1 (One) Debenture thereafter																
Issue Opening Date	December 30, 2020																
Issue Closing Date:	December 30, 2020																
Pay-in Date:	December 31, 2020																
Deemed Date of Allotment:	December 31, 2020																
Issuance mode of the Instrument	Demat only																
Trading mode of the Instrument	Demat only																
Settlement mode of the Instrument	<p>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:</p> <table border="1"> <tr> <td>Name of Bank</td><td>HDFC BANK</td></tr> <tr> <td>IFSC Code</td><td>HDFC0000060</td></tr> <tr> <td>Account number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr> </table> <table border="1"> <tr> <td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr> <tr> <td>IFSC Code</td><td>ICIC0000106</td></tr> <tr> <td>Account number</td><td>ICCLEB</td></tr> <tr> <td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr> </table>	Name of Bank	HDFC BANK	IFSC Code	HDFC0000060	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED	Name of Bank	ICICI Bank Ltd.	IFSC Code	ICIC0000106	Account number	ICCLEB	Name of beneficiary	INDIAN CLEARING CORPORATION LTD
Name of Bank	HDFC BANK																
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IFSC Code	ICIC0000106																
Account number	ICCLEB																
Name of beneficiary	INDIAN CLEARING CORPORATION LTD																



Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Name of Bank	HDFC Bank Limited
IFSC Code	HDFC0000987
Account number	50200013838325
Name of beneficiary	Aavas Financiers Limited

or any other account communicated by the issuer.

Cheques, Demand Drafts, interest/ redemption warrants, pay order, direct credit, ECS, NEFT, RTGS, other online payment mechanism as are permitted by the Reserve Bank of India

Depositories

NSDL and/or CDSL

Business Day

Convention/Effect of Holidays

"Business Day" means any day of the week (excluding Saturdays and any other day on which banks are closed for general business in Mumbai, India) shall be a Business Day.

If any due date falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day, except if such due date is for the payment of principal, in which case the payment to be made on such due date (including accrued Coupon) shall be made on the immediately preceding Business Day. The foregoing is subject to any directions, notifications or instructions issued by the Securities and Exchange Board of India.

If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Dates, falls on a day that is not a Business Day, the payment shall be made by the Company on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures i.e. the subsequent Coupon Payment Date(s) would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed earlier because of it having fallen on a non-Business Day.

Record Date

Means 7 (Seven) calendar days prior to any date on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders



<p>All covenants of the issue (including side letters, accelerated payment clause, etc.)</p>	<p>Refer to paragraph 5.29 of this Disclosure Document</p>
<p>Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.</p>	<p>The security to be provided or caused to be provided by the Company as security for the discharge of the Outstanding Amounts in relation to the Debentures shall consist of: (i) a first ranking and exclusive charge by way of hypothecation over the identified receivables of the Company which meets the Selection Criteria ("Identified Receivables"); and/or (ii) fixed deposits created from time to time in accordance with the terms of the Transaction Documents for the benefit of the Debenture Holders (lien marked in favour of the Debenture Trustee for the benefit of the Debenture Holders); (the Identified Receivables and the fixed deposits referred to hereinabove shall hereinafter collectively be referred to as the "Hypothecated Assets" and the security interest created / to be created thereto shall hereinafter be referred to as the "Security" / "Security Interest")</p> <p>Minimum Security Cover</p> <p>As a collateral and security for satisfaction and fulfillment of all the obligations of the Company in relation to the Debentures, the Company shall execute the Deed of Hypothecation, in favour of the Debenture Trustee (for the benefit of the Debenture Holders) for creation of a first ranking and exclusive charge by way of hypothecation on the Hypothecated Assets in favour of the Debenture Trustee such that the Security Cover provided by the Hypothecated Assets is at least 1.10 (One Decimal Point One Zero) time of the principal amounts outstanding in relation to the Debentures ("Minimum Security Cover").</p> <p>The Identified Receivables forming part of the Hypothecated Assets shall comply with the Selection Criteria and only such Identified Receivables forming part of the Hypothecated Assets which comply with the Selection Criteria shall be considered while testing whether the Minimum Security Cover is being met.</p> <p>The Company shall ensure that the Minimum Security Cover is maintained at all times till the Final Settlement Date.</p> <p>The Minimum Security Cover will be tested on a monthly basis. In the event that the Minimum Security Cover is not being maintained at any time (pursuant to any Identified Receivables forming part of Hypothecated Assets not complying with the Selection Criteria or otherwise), the Company shall identify additional loan receivables which meet the Selection Criteria, which additional loan receivables shall be provided as security by the Company in favour of the Debenture Trustee in accordance with the terms of the Deed of Hypothecation and / or the Company shall create fixed deposits for the benefit of the Debenture Holders with a bank to the</p>



	<p>extent of such amounts as may be required to meet the Minimum Security Cover, within 15 (Fifteen) days from the end of each month.</p> <p>Any additional loan receivables provided as security in terms of the above paragraph shall then form part of the 'Identified Receivables' in the manner contemplated under the Deed of Hypothecation and any such additional loan receivables and/or fixed deposits provided as security in terms of the above paragraph shall then form part of the 'Hypothecated Assets' in the manner contemplated under the Deed of Hypothecation. Further, any fixed deposits created in terms of the above paragraph shall be lien marked in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and the Company shall submit to the Debenture Trustee confirmation on such lien marking from the bank where such fixed deposits are created.</p> <p>It is clarified that the prior approval of the Debenture Trustee shall not be required to be obtained for the replacement of any Identified Receivables by the Company forming part of the Hypothecated Property with other receivables of the Company which meet the Selection Criteria so long as the Minimum Security Cover is being maintained.</p> <p>Debentures shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.</p>
Transaction Documents	<p>Means (i) the Disclosure Document and the Private Placement Offer Letter issued by the Company; (ii) the Debenture Trustee Agreement; (iii) the Debenture Trust Deed; (iv) the Deed of Hypothecation and the power of attorney thereto, and (v) any other document that the Company and the Debenture Trustee may designate as a Transaction Document</p> <p>Other documents as under:</p> <ol style="list-style-type: none"> 1. Credit Rating Letter & Rational from Rating Agency; 2. Resolution of the Board of Directors for issuance of debentures and empowering for other related matters; 3. Any other document that may be designated as a transaction document by the Debenture Trustee;
Conditions Precedent to Pay-In	<p>The Company shall have ensured the following conditions precedent:</p> <ol style="list-style-type: none"> 1. The Company shall have submitted the following to the Debenture Trustee: <ol style="list-style-type: none"> (a) Certified true copy of the constitutional documents (Memorandum of Association, Articles of Association and Certificate of Incorporation) of the Company. (b) Certified true copies of the special resolutions of the shareholders of the Company under Sections 42 of the Act and under Section 180 of the Act (if applicable). (c) A certified true copy of the board of directors of the



	<p>Company approving the issue of the non-convertible debentures on a private placement basis.</p> <p>(d) A certified true copy of the resolution of the board of directors / committee of directors of the Company under Section 179 of the Act, (i) approving the issue of the Debentures and creation of Security for the Debentures; (ii) approving the terms of the transactions contemplated by the relevant Transaction Documents; (iii) approving the appointment of Debenture Trustee; (iii) resolving to execute the relevant Transaction Documents; and (iv) authorising a specified person or persons to execute the relevant Transaction Documents on its behalf and to do all such acts and things as may be necessary to give effect to the relevant Transaction Documents and the transactions contemplated by the relevant Transaction Documents.</p> <p>(e) The Company shall have submitted to the Debenture Trustee / Debenture Holders all documents as may be required for the purpose of meeting KYC requirements.</p> <p>(f) The Company shall have submitted to the Debenture Trustee / Debenture Holders the rating letter and the rating rationale from the Rating Agency assigning rating of 'AA-' for the Issue of the Debentures.</p> <p>(g) Execution of the Debenture Trustee Agreement, in the form and manner acceptable to the Debenture Trustee.</p> <p>(h) Receipt of consent from the Debenture Trustee to act as the Debenture Trustee for the issue of Debentures;</p> <p>(i) Receipt of consent from the registrar to act as the registrar and transfer agent for the issue of Debentures;</p> <p>(j) Issuance of Disclosure Document and Private Placement Offer Letter (Form PAS-4), containing disclosures required in terms of the SEBI (Issue and Listing of Debt Securities) Regulations 2008 and the Companies Act.</p> <p>(k) Evidence that all the conditions precedent have been satisfied by the Company to the satisfaction of the Debenture Trustee and intimation by the Debenture Trustee that they are in receipt of all the condition precedent documents.</p>
Conditions Subsequent to the Date Deemed of Allotment	<ol style="list-style-type: none">1. The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs within 2 (Two) Business Days from the Deemed Date of Allotment;2. The Company shall obtain listing of the Debentures with BSE within 4 (Four) days from the Deemed Date of Allotment;3. File a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the relevant registrar of companies within 15 (fifteen) days of the Deemed Date of Allotment along with a list of the Debenture Holders and with the prescribed fee;4. The Company shall file Form CHG 9 with the ROC and shall provide all required assistance to the Debenture



	<p>Trustee to file the requisite form with CERSAI within 30 (Thirty) days from the date of execution of the relevant Security document;</p> <ol style="list-style-type: none">5. Submission of a copy of the certificate from Company's auditor within 90 (Ninety) days confirming that the issuance of the Debentures complies with the eligibility and other criteria prescribed in the NHB NCD Directions.6. The Company shall and shall assist the Debenture Trustee in making relevant filings, in accordance with the Applicable Law(s) and as applicable to the Company, in the prescribed form to be made with an information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency Code and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 no later than 30 (thirty) days from the date of the Debenture Trust Deed;7. The Company shall perform all activities, whether required under Applicable Laws or otherwise as mentioned in the Transaction Documents.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>If one or more of the events specified below happen(s), the same shall constitute an "Event of Default":</p> <ol style="list-style-type: none">1. Failure on the part of the Company to make payment of all or any part of the Outstanding Amounts at the place at and in the currency in which it is expressed to be payable, on the dates on which they become due and payable in terms of the Transaction Documents including on the Scheduled Redemption Dates or upon acceleration of any payments in terms of the Debenture Trust Deed or other Transaction Documents;2. In the event the credit rating of the Debentures falls below 'A-' by the Rating Agency.3. Failure of the Company to comply with any of the covenants set out under any of the Transaction Documents. (the breach of which, except Financial Covenants as listed in clause 5.29(a) of Information Memorandum, if capable of being remedied, has not been remedied to the satisfaction of the Debenture Trustee, within a maximum period of 15 (Fifteen) Business Days post being notified of the same by the Debenture Trustee / Debenture Holders);4. Any or all of the representations and warranties provided by the Company under any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee / Debenture Holders by the Company, being untrue, incomplete, incorrect or misleading in any material respect when made or deemed made;5. The Company:<ol style="list-style-type: none">(a) ceases to carry on its business or gives notice of its intention to do so;(b) any Supervisory Authority or any competent court or tribunal or Governmental Authority requires the



- Company to cease to do business; or
- (c) any approval or consent or authorization given by any person (including any Supervisory Authority or any creditor) to the Company in respect of its business is withdrawn or the Company fails to obtain or renew any such approval or consent or authorization.
6. Any corporate action, legal proceedings or other procedure or step is taken in relation to the Company (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution), in relation to:
- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, insolvency, dissolution, administration or reorganisation of the Company with an intention of winding up or liquidating or declaring insolvent the Company (by way of voluntary arrangement, scheme of arrangement or otherwise); or
 - (b) a composition, compromise, assignment or arrangement with any creditor of the Company; or
 - (c) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets; or
 - (d) any enquiry or proceedings commenced before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.101/21.04.048/2017-18 dated February 12, 2018 on "Resolution of Stressed Assets – Revised Framework"); or
 - (e) the commencement of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other Applicable Law, in respect of the Company; or
 - (f) enforcement of any security over any Assets of the Company or any analogous procedure or step is taken in any jurisdiction; or
 - (g) Any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in points (a) to (f) above.
7. Following failures in relation to the Security:
- (a) The value of the Hypothecated Assets is insufficient to maintain the Minimum Security Cover and the Company fails to maintain the Minimum Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the stipulated timelines prescribed in the relevant Transaction Document.
 - (b) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such



	<p>security interests fail to have the priority contemplated under the Transaction Documents, or the security interests become unlawful, invalid or unenforceable.</p> <p>(c) The Company creates or attempts to create any charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.</p> <p>8. In the opinion of the Debenture Trustee any Security is in jeopardy including any depreciation in the value of the Hypothecated Assets;</p> <p>9. Any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.</p> <p>10. It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.</p> <p>11. The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.</p>
Consequences of Events of Default	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall:</p> <ol style="list-style-type: none"> 1. The Debenture Trustee shall if so directed by the Majority Debenture Holder(s) declare that all or part of the Outstanding Amounts be immediately due and payable; 2. The Debenture Trustee shall if so directed by the Majority Debenture Holder(s), enforce the charge over the Hypothecated Assets in accordance with the terms of the Transaction Documents; 3. The Debenture Trustee shall exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law. <p>If an Event of Default has occurred and is continuing, the Company cannot declare or pay any dividend to its shareholders during any Financial Year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/ Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.</p>
Appointment of a Nominee Director	<p>The Debenture Holders and the Debenture Trustee shall have a right to appoint a nominee director as per the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 on the board of directors of the Company (hereinafter referred to as the "Nominee Director") upon the occurrence of any of the following:</p> <ol style="list-style-type: none"> 1. two consecutive defaults in the payment of interest to the Debenture Holders; or



	<p>2. default in creation of Security for debentures; or</p> <p>3. default in redemption of Debentures.</p>
<p>Creation of recovery expense fund</p>	<p>SEBI has issued vide circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 ("SEBI REF Circular"), the guidelines/ instructions in relation to creation of Recovery Expense Fund ("REF") in order to enable the debenture trustees to take prompt action for enforcement of security in case of 'default' in listed debt securities to be used in the manner decided in the meeting of the holders of debt securities. The Company will create and maintain a Recovery Expense Fund as per the provisions of the regulations issued by SEBI and the SEBI REF Circular, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance of the Recovery Expense Fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary.</p> <p><u>Details:</u></p> <p>The Company shall within the timelines prescribed under the SEBI REF Circular create REF in relation to the Issue, by deposit of an amount equal to 0.01% of the Issue size subject to maximum of Rs. 25 lakhs towards REF with BSE in such form as prescribed under the SEBI REF Circular.</p> <p><u>Purpose:</u></p> <p>In the event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security and shall inform the same to BSE. BSE will release the amount lying in the REF to the Debenture Trustee within 5 working days of receipt of such intimation.</p> <p>The REF will be refunded to the Issuer in accordance with the SEBI REF Circular.</p>
<p>Conditions for breach of covenants (as specified in Debenture Trust Deed)</p>	<p>Please refer to paragraph 5.29 of this Disclosure Document.</p> <p>Also refer to the details provided in section 'Accelerated Redemption Event', 'Consequences of an Accelerated Redemption Event', 'Consequences of Events of Default' of this paragraph 5.27</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size as per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, Companies Act, the simplified listing agreement(s), each as amended from time to time).</p>



Risk factors pertaining to the issue	Please refer to Section 3 of this Disclosure Document
Governing Law and Jurisdiction	Subject to the terms of the Debenture Documents, the Debentures will be governed by and construed in accordance with the laws of India and the courts in Delhi shall have non-exclusive jurisdiction to determine any dispute arising in relation to the Debentures.

Note:

1. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other
3. In the event of any conflict between the terms set out herein and the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.

5.28 Undertakings – Creation of Security

The Company hereby confirms that the Hypothecated Assets over which charge is created / proposed to be created by the Company in favour of the Debenture Trustee (for the benefit of the Debenture Holders) to secure the obligations of the Company in relation to the Debentures, are free from any encumbrances.

5.29 Covenants of the Issue

(a) Financial Covenants

- (i) The Company shall ensure that:
 - (I) The ratio of Total Outside Liabilities (TOL) to Adjusted Tangible Net Worth (ATNW) shall not exceed 7:1 at any point of time.
 - (II) The Gross NPA (Gross Stage 3) forming part of the Company's Loan Assets (i) shall not exceeding 5.5% (Five Decimal Five Percent) of its Loan Assets till September 2021; and (ii) shall not exceeding 2.5% (Two Decimal Five Percent) of its Loan Assets on and after December, 2021;
- (ii) Until the Final Settlement Date, the covenants prescribed in points (I) to (II) of paragraph 5.29(a)(i) above shall be tested for March 31st of every Financial Year on the basis of consolidated and standalone balance sheets of the Company.
- (iii) The Company shall provide a certificate from authorised signatory/statutory auditor (as per regulatory requirement) certifying compliance with the financial covenants set out above within 90 (Ninety Days) from March 31st of each Financial Year.
- (iv) For the purposes of computation of the clause 5.29(a)(II), the following shall be considered:
 - A. The Company considers a financial instrument as defaulted and considered it as Stage 3 (credit-impaired) for expected credit loss calculations in all cases, when the borrower becomes more than 90 (Ninety) days past due on its contractual payments and when the loan is otherwise considered to be in default ("Gross Stage 3").



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

- B. The Net NPA (Net Stage 3) is computed by deducting the 'expected credit loss provision on Gross Stage 3' from the Gross Stage 3 ("Net NPA (Net Stage 3)").
- C. Further, for loans considered Gross Stage 3, the Company recognizes the lifetime expected credit losses and with probability of default set at 100% (One Hundred Percent) for these loans. 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 de-recognized and is still in the portfolio.
- D. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events: (a) significant financial difficulty of the issuer or the borrower; (b) a breach of contract, such as a default or past due event; (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; (e) the disappearance of an active market for that financial asset because of financial difficulties; or (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses. It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets.

(b) **Information Covenants**

The Company undertakes the following information covenants:

- (i) The Company shall provide or cause to be provided to the Debenture Trustee and to the Debenture Holders (including on any online reporting platform notified by the Debenture Trustee or any Debenture Holder), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:
 - (I) As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company:
 - A. certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with accounting standards prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Company or any other such accounting standards as may be prescribed under Applicable Law, including its balance sheet, income statement and statement of cash flow;
 - B. such additional information or documents as the Debenture Trustee may reasonably request.
 - (II) As soon as practicable and in any event within 7 (Seven) calendar days from the relevant board meeting in which it is approved or within 45 (Forty Five) days of the respective quarter, whichever is earlier, the periodical status/performance reports of the Company.
- (ii) Furnish half-yearly report to the Debenture Trustee (as may be required in accordance with SEBI/BSE guidelines or regulations) containing the following particulars:
 - (I) updated list of the names and addresses of the Debenture Holders;



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- (II) details of the interest due, but unpaid and reasons thereof;
 - (III) the number and nature of grievances received from the Debenture Holders and (a) resolved by the Company and (b) unresolved by the Company and the reasons for the same; and
 - (IV) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due;
- (iii) The Company shall furnish the following:
- (I) The Minimum Security Cover shall be tested on a monthly basis and an updated list of additional receivables complying with the Selection Criteria shall be submitted within 15 (Fifteen) days from the end of each calendar month along with such other certifications in respect of the said additional receivables as may be required by the Debenture Trustee;
 - (II) On quarterly basis, a certificate from an independent chartered accountant and a certificate from its Director / Managing Director, certifying the value of the Hypothecated Assets as agreed in the Transaction Documents and shall provide to the Debenture Trustee such other information in relation to the Security that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the asset cover;
 - (III) On half-yearly basis, a certificate by the statutory auditor of the Company certifying regarding maintenance of the Minimum Security Cover, along with the list of Identified Receivables, the value of the Hypothecated Assets, including compliance with all the covenants in respect of the Debentures / this Information Memorandum / the Debenture Trust Deed, in the format acceptable to the Debenture Trustee or prescribed by SEBI, along with the half-yearly financial results;
- (iv) Inform and provide the Debenture Trustee with applicable documents in respect of the following:
- (I) notice of any Event of Default or potential Event of Default; and
 - (II) any and all information required to be provided to the Debenture Holders under the listing agreement to be entered into between the Company and the BSE;
- (v) The Company shall promptly inform the Debenture Trustee of any significant changes in the composition of the Company's board of directors;
- (vi) The Company shall promptly inform the Debenture Trustee of any amalgamation, merger or reconstruction scheme proposed by the Company;
- (vii) The Company shall promptly inform the Debenture Trustee of all orders, directions, notices, of court/tribunal affecting or likely to affect the Hypothecated Assets;
- (viii) The Company agrees, declares and covenants with the Debenture Trustee as follows:
- (I) while submitting half yearly / annual financial results in accordance with Regulation 52 of the LODR Regulations, the Company shall file with the BSE for dissemination, along with a noting certificate of the Debenture Trustee, containing inter alia the following information:
 - A. credit rating (and any change thereto);
 - B. asset cover
 - C. debt to equity ratio;
 - D. previous Due Date for the payment of interest/principal and whether the same has been paid or not; and
 - E. next Due Date for the payment of interest/principal;
 - F. net worth;
 - G. net profit after tax;



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H. earnings per share;

- (II) in accordance with Regulation 52 of the LODR Regulations, the Company shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein;
- (III) in accordance with Regulation 52 of the LODR Regulations, the Company shall furnish to the Debenture Trustee a copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges;
- (IV) in accordance with Regulation 56 of the LODR Regulations, the Company shall submit the following to the Debenture Trustee:
 - A. a copy of the annual report at the same time as it is issued and a copy of the certificate from the Company's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each Financial Year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;
 - B. a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);
 - C. intimations regarding any revision in the rating, any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Company, any failure to create charge on the assets, and All covenants of the issue (including side letters, accelerated payment clause, etc.); and
 - D. a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Information Memorandum.
- (V) in accordance with Regulation 58 of the LODR Regulations, the Company shall furnish the following to the Debenture Holders in the manner prescribed therein:
 - A. physical copies of full annual reports to those Debenture Holders who request the same;
 - B. notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Act shall be applicable for such meeting; and
 - C. proxy forms for the Debenture Holders clearly providing the Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution;



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- (VI) submit to the Debenture Trustee, till the Final Settlement Date, its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit and Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, within the timelines as stipulated in simplified listing agreement issued by SEBI as may be amended from time to time;
- (VII) submit such other disclosure to the Debenture Trustee as may be required under the SEBI (Issue and Listing of Debt Securities) Regulations 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Applicable Laws;
- (ix) Promptly, and in any case not later than 10 (ten) Business Days, inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;
- (x) Promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;
- (xi) Provide details of any litigation, arbitration or administrative proceedings that if determined adversely could have a Material Adverse Effect on the Company;
- (xii) Notify the Debenture Trustee in writing the changes in accounting policy;
- (xiii) As soon as practicable, and in any event within 7 (Seven) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect on the Company.
- (xiv) As soon as practicable, and in any event within 7 (Seven) Business Days after the Company obtains or reasonably should have obtained actual knowledge thereof obtains or reasonably, notice of the occurrence of any Event of Default or potential event of default including any steps taken to cure such event.
- (xv) As soon as practicable, and in any event within 7 (Seven) Business days of any material change in its Constitutional Documents.
- (xvi) As soon as practicable and in any event within 15 (Fifteen) Business days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time.

(c) Affirmative Covenants

The Company undertakes and covenants that, the Company shall until the Final Settlement Date:

- (i) keep proper books of account and keep the said books of account and all other books, registers and documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Hypothecated Assets and the



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Debentures shall, upon notice of at least 7 (Seven) Business Days to the Company and during the regular working hours of the Company be open for inspection of the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, for that purpose appoint, and the Debenture Trustee or such person or persons so appointed shall be entitled to take copies or extracts of the registers of the company available for inspection.

- (ii) keep the Hypothecated Assets and all documents in relation thereto in a proper condition and permit the Debenture Trustee and such person, as the Debenture Trustee shall from time to time for that purpose appoint, to enter into or upon and to view and inspect the state and condition of the Hypothecated Assets, with prior written notice of 7 (Seven) Business Days to the Company, together with all records, registers relating to the Hypothecated Assets.
- (iii) provide to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Company or to investigate the affairs of the Company. The Company shall allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation. Without prejudice to the foregoing, the Company undertakes that it will permit the Debenture Trustee to examine the books and records of the Company and to discuss the affairs, finances and accounts of the Company with, and be advised as to the same by, officers and independent accountants of the Company, all upon reasonable prior notice and at such reasonable times and intervals as the Debenture Trustee may reasonably request;
- (iv) give to the Debenture Trustee any information, relating to the business, property and affairs of the Company, pursuant to a monitoring or servicing request of the Debenture Holders.
- (v) punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under the Debenture Trust Deed;
- (vi) promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holder(s). The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of its compliance with this Clause. At the request of any Debenture Holder(s), the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holder(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s).
- (vii) Use the proceeds of the Issue only for the Purpose;



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- (viii) Diligently preserve and maintain its corporate existence and status and all rights, contracts, privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof provided that the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed;
- (ix) Pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;
- (x) Pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;
- (xi) Comply with:
 - A. all laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;
 - B. the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
 - C. the provisions of the Act in relation to the issue of the Debentures;
 - D. procure that the Debentures are rated and a rating is continued until redemption of the Debentures; and
 - E. ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.
- (xii) Comply with the provisions of the Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("IEPF"), if applicable to it.



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- (xiii) Comply with any corporate governance requirements applicable to the Company (as may be prescribed by the RBI, SEBI, or any stock exchange) and the fair practices code prescribed by the Supervisory Authorities.
- (xiv) Comply and execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (xv) Obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under the Debenture Trust Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of the Debenture Trust Deed;
- (xvi) The Company further agrees, declares and covenants with the Debenture Trustee as follows:
 - A. that all the Hypothecated Assets that will be charged to the Debenture Trustee shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this Security. The Company shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice this Security. The Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof;
 - B. to create the security over the Hypothecated Assets as contemplated in the Transaction Documents within 60 (Sixty) days from the Deemed Date of Allotment by executing the required duly stamped documents/instruments and to register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and the requisite form with CERSAI in relation thereto as soon as practicable and no later than 30 (Thirty) calendar days the date of execution thereof;
 - C. As applicable to the Company in accordance with the applicable Law(s), relevant filings in the prescribed form to be made with an information utility registered with the Insolvency and Bankruptcy Board of India in accordance with Section 215 of the Insolvency and Bankruptcy Code, 2016, and other regulations including the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 no later than 30 (Thirty) days from the date hereof.
 - D. the Company shall provide such additional loan receivables which comply with the Selection Criteria as security to maintain the Minimum Security Cover, as contemplated in the Deed of Hypothecation within the period and in the manner prescribed thereunder and/or such fixed deposits (lien marked in favour of the Debenture Trustee) as may be required to meet the Minimum Security Cover;
 - E. the Company shall, on a half yearly basis, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to security over the Hypothecated Assets;



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- F. the security interest created on the Hypothecated Assets shall be a continuing security;
 - G. the Hypothecated Assets shall satisfy the Selection Criteria;
 - H. nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders;
 - I. the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the Debenture Trust Deed; and
 - J. forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;
- (xvii) The Company shall maintain internal control for the purpose of:
- A. preventing fraud on monies lent by the Company; and
 - B. preventing money being used for money laundering or illegal purposes.
- (xviii) The Company further agrees and undertakes that during the currency of the Debenture Trust Deed it shall abide by the guidelines/listing requirements if any, issued from time to time by the SEBI/RBI.

(d) Negative Covenants

The Company shall not take any action in relation to the items set out in this paragraph, without the prior written permission of the Debenture Trustee. The Debenture Trustee shall, acting on the instructions of the Majority Debenture Holders, give its prior written approval/dissent within 15 (fifteen) Business Days after receiving a request to provide its approval PROVIDED such request is accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious discussion.

- (i) Create any encumbrance on the Hypothecated Assets;
- (ii) Undertake any acquisition or transaction of merger, de-merger, slump sale of assets, consolidation, re-organization, scheme of arrangement or compromise or arrangement with its creditors or lenders or effect any scheme of amalgamation or reconstruction;
- (iii) If an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders during any financial year unless it has paid or made arrangements to pay (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/ Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.
- (iv) Change the general nature of its business from that which is permitted as a housing finance company registered with the NHB.
- (v) Any changes to its Constitutional Documents where such changes will lead to or are likely to lead to a Material Adverse Effect on the Company.
- (vi) Change the Management Control of the Company;
- (vii) Change in its financial year-end from 31st March.



(viii) **Change in Capital Structure:**

- a) Permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorized capital of the Company.
- b) Purchase or redeem any of its issued shares or reduce its share capital without the prior written consent of the Debenture Trustee (acting on the instructions of the Debenture Holders). –

5.30 Material Representations and Warranties

- (a) The Company has been duly incorporated, organized, in good standing and is validly existing, under Applicable Law.
- (b) The Company has been registered as a housing finance company with the NHB.
- (c) The Company has the power to own its Assets and carry on its business as it is being conducted.
- (d) The Company has the corporate power, authority and all permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate their respective assets and to carry on their respective business in substantially the same manner as it is currently conducted.
- (e) The Company has not taken any action nor has any order been passed for their insolvency resolution, bankruptcy, winding-up, dissolution or re-organisation or for the enforcement of any security over their respective assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee, resolution professional or other similar officer for them or in respect of their respective assets.
- (f) The Company is in compliance with all Applicable Law for the performance of its obligations with respect to this Issue as set out in the Transaction Documents including the Act and the rules made thereunder, as amended from time to time, and meets all the eligibility conditions stipulated by RBI in relation to the Issue.
- (g) The Company has the legal right, power and authority to issue the Debentures and enter into, deliver and perform the Transaction Documents and all other documents and instruments required to be executed pursuant thereto or in connection therewith, and such documents, when executed, will constitute valid and binding obligations and be enforceable against the Company in accordance with their respective terms.
- (h) The Company represents that all consents (including corporate authorisations), and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection with the execution, delivery and performance by the Company of the Transaction Documents, and creation of the Security Interest, have been obtained and are in full force and effect and all transactions pursuant thereto are and will be in accordance with Applicable Law.
- (i) The Company is the sole owner of all assets shown on the Company's financial statements delivered to the Debenture Trustee / Debenture Holders save and except as stated in the said financial statements.



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- (j) Binding obligations - The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.
- (k) Non-conflict with other obligations - The entry into and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:
 - (i) any Applicable Law or regulation applicable to it (including without limitation, the NHB NCD Directions);
 - (ii) its Constitutional Documents; or
 - (iii) any agreement or instrument binding upon it or any of its Assets.
- (l) No proceedings pending - Except as disclosed by the Company in this Information Memorandum / Private Placement Offer Letter, annual reports and financial statements, no material litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency have been started against the Company or its officers, which if adversely determined, may have a Material Adverse Effect on the Company, and the Company is not aware of any such proceeding being threatened.
- (m) No default
 - (i) No Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
 - (ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect on the Company.
- (n) Solvency
 - (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into this Deed or any other Transaction Document.
 - (ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
 - (iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
 - (iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
 - (v) No insolvency or bankruptcy process has commenced under the Insolvency and Bankruptcy Code, 2016 (to the extent applicable) in respect of the Company.
 - (vi) No reference has been made, or enquiry or proceedings commenced, in relation to the Company, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.101/21.04.048/2017-18 dated February 12, 2018 on "Resolution of Stressed Assets – Revised Framework", as modified/amended from time to time).

Financial statements and Accounts



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- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its most recent financial statements supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.
- (iii) The financial statements of the Company will be prepared in accordance with Accounting Standards or any other such accounting standards as may be mandated under Applicable Law.



SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities made on private placement, the following disclosures are required to be made vide *SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16*:

- (A) **Name of the bank declaring the entity as a Wilful Defaulter: NIL**
- (B) **The year in which the entity is declared as a Wilful Defaulter: NIL**
- (C) **Outstanding amount when the entity is declared as a Wilful Defaulter: NIL**
- (D) **Name of the entity declared as a Wilful Defaulter: NIL**
- (E) **Steps taken, if any, for the removal from the list of wilful defaulters: NIL**
- (F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NIL**



SECTION 7: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Information Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

7.1 Mode of Transfer/Transmission of Debentures

The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other applicable laws. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP's of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

7.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

7.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed IDBI Trusteeship Services Limited to act as trustee for the Debenture Holders. The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holders. Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holders shall discharge the Issuer pro tanto to the Debenture Holders. The Debenture Trustee will protect the interest of the Debenture Holders in regard to the repayment of principal and Yield thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the request of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer



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unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holders and the manner of enforcement thereof.

7.4 Obligations of Investors

Notwithstanding anything contained hereinabove, every potential investor/ investor of the Debentures must read, understand and accept, and shall be deemed to have read, understood and accepted, the terms and conditions of this Disclosure Document prior to investing in the Debentures. As a Debenture Holder, every initial investor undertakes by virtue of this Disclosure Document, that if the initial investor as the Debenture Holder sells the Debentures to subsequent investors, the initial investor as the Debenture Holder shall ensure that such subsequent investors receive from the Debenture Holder, a copy of this Disclosure Document, and shall sell the Debentures to a subsequent investor only if such subsequent investor has read, understood and accepted all the terms and conditions referred to above and is an investor who falls within the categories specified under the section titled "Who can apply". Any such subsequent investor shall be deemed to have read, understood and accepted the terms and conditions in the documents referred to above prior to investing in the Debentures.

7.5 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

7.6 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

7.7 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Information Memorandum which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders in the manner as provided for in the Debenture Trust Deed.

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holders, either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holders as set out below:

- (a) Creating of any additional security; and
- (b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

7.8 Right to accept or reject Applications

The Board of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.



7.9 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post, recognized overnight courier service, hand delivery or by facsimile transmission addressed to such Debenture Holder at its/his registered address or facsimile number.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post, recognized overnight courier service, hand delivery or email or by facsimile transmission to the Issuer or to such persons at such address/ facsimile number as may be notified by the Issuer from time to time through suitable communication. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery; (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

7.10 Electronic Book Mechanism

In terms of SEBI Circular number SEBI/HO/DDHS/CIR/P/2018/05 on January 05, 2018, electronic book mechanism is mandatory for all private placements of debt securities in primary market if it is:

1. a single issue, inclusive of green shoe option, if any, of Rs 200 crore or more
2. a shelf issue, consisting of multiple tranches, which cumulatively amounts to Rs 200 crore or more, in a financial year
3. a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds Rs 200 crore.

The said circular stated that the electronic book mechanism shall be provided by the recognized stock exchanges. Accordingly the Company has signed an agreement with both, BSE and NSE for issuance of debt securities on private placement basis through their Electronic Book Mechanism.

7.11 Issue Procedure

Only Eligible Investors (as given hereunder) may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

All payments in respect of the Debentures shall be made by the Issuer into the bank account so specified by the applicant. The subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI under the EBP Guidelines by placing bids on the EBP Platform during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as investor on the said platform (as a one time exercise) and also complete the mandatory KYC verification process. The



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Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of the Issue including green shoe option, if any	Rs. 100,00,00,000/- (Rupees One Hundred and Fifty Crores only) (including green shoe option of an amount upto Rs. 90,00,00,000/- (Rupees Ninety Crores Only))
Electronic Book Platform	BSE
Bid opening and closing date	Bid opening date: December 30, 2020; and Bid closing date: December 30, 2020
Minimum Bid lot	10 (Ten) Debentures i.e. Rs. 1,00,00,000/- (Rupees One Crore only) and in the multiples of 1 (One) Debenture thereafter i.e. Rs. 10,00,000/- (Rupees Ten Lakh only).
Manner of bidding in the Issue	Open Bidding
Manner of allotment in the Issue	Uniform Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL.
Settlement cycle	T+1, where T refers to the date of bid opening date / issue opening date

Process flow of settlement:

Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Information Memorandum along with have been issued by the Issuer and who have submitted/shall submit the application form ("**Successful Bidders**"), shall make pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out below, on or before 10:30 a.m. on the Deemed Date of Allotment:

Name of Bank	HDFC BANK
IFSC Code	HDFC0000060
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of Bank	ICICI Bank Ltd.
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

Name of Bank	YES BANK
IFSC Code	YESB0CMSNOC
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by them in the EBP system. Any amount received from third party accounts or from accounts not specified in the EBP system will be refunded and no allotment will be made against such payments. Upon the transfer of funds into the aforesaid account of ICCL and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the ICCL, the Registrar to the Issue and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the Registrar to the Issue, the Registrar to the Issue shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders



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to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Name of Bank	HDFC Bank Limited
IFSC Code	HDFC0000987
Account number	50200013838325
Name of beneficiary	Aavas Financiers Limited

Or any other account communicated by the issuer in this regard.

It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines.

7.12 Application Procedure

Potential investors will be invited to subscribe by way of the Application Form prescribed in the Disclosure Document during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive) and by filling out Part - B of the Private Placement Offer Letter. Subject to the EBP Guidelines, the Issuer reserves the right to change the issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

7.13 Fictitious Applications

All fictitious applications will be rejected.

7.14 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a "yield time" priority basis in accordance with EBP Guidelines. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

7.15 Payment Instructions

The pay-in of subscription monies in respect of the Debentures by the Successful Bidder shall be made in accordance with the procedure set out in paragraph 7.11 above.

7.16 Eligible Investors

The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"):

- a) Individuals
- b) Hindu Undivided Family
- c) Trust
- d) Limited Liability Partnerships
- e) Partnership Firm(s)



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- f) Portfolio Managers registered with SEBI
- g) Association of Persons
- h) Companies and Bodies Corporate including Public Sector Undertakings
- i) Commercial Banks
- j) Regional Rural Banks
- k) Financial Institutions
- l) Insurance Companies
- m) Mutual Funds
- n) Foreign Institutional Investors
- o) Other foreign entities allowed by SEBI and RBI
- p) Any other investor eligible to invest in these Debentures

Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the Electronic Platform called the "EBP Platform" under the EBP Guidelines or any other successive arrangement/platform mandated by SEBI, only those Persons Out of the aforesaid categories of investors, who have been specifically named in the "List of Eligible Investors" as placed before and approved by the Board and who are registered on the EBP Platform and eligible to make bids for Debentures of the Company and to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013 (as amended from time to time), to whom the Company shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Company on the EBP Platform are also eligible to bid/apply/invest for this Issue.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company/ Sole Arranger, are eligible to apply for the Debentures. No other person may apply. Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI (ILDS) Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.



7.17 Procedure for Applying for Dematerialised Facility

- (a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.
- (b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".
- (c) Debentures allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.
- (d) For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- (e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue.
- (f) If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- (g) For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- (h) The redemption amount or other benefits would be paid to those Debenture Holders whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

7.18 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

7.19 List of Beneficiaries

The Issuer shall request the R&T Agent to provide a list of beneficiaries as at the end of each Record Date. This shall be the list, which will be used for payment or repayment of redemption monies.

7.20 Application under Power of Attorney

The Issuer shall request the R&T Agent to provide a certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the exemption certificate/document of the Investor, if any, must be lodged along with the



submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

In case of an application made by companies under a power of attorney or resolution or authority, a certified true copy thereof along with memorandum and articles of association and/or bye-laws along with other constitutional documents must be attached to the Application Form at the time of making the application, failing which, the Issuer reserves the full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the submission of the completed Application Form.

7.21 Procedure for application by Mutual Funds and Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The Application Forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

- (a) SEBI registration certificate
- (b) Resolution authorizing investment and containing operating instructions
- (c) Specimen signature of authorized signatories.

7.22 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

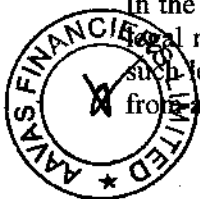
- (a) Memorandum and Articles of Association or other constitutional documents
- (b) Resolution authorising investment
- (c) Certified true copy of the Power of Attorney to custodian
- (d) Specimen signatures of the authorised signatories
- (e) SEBI registration certificate (for Mutual Funds)
- (f) Copy of PAN card
- (g) Application Form (including EFT/RTGS details)

7.23 Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through cheque/EFT/RTGS.

7.24 Succession

In the event of winding up of a Debenture Holder (being a company), the Issuer will recognise the legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such legal representative as having title to the Debenture(s), unless they obtain legal representation, from a court in India having jurisdiction over the matter.



The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of such legal representation, in order to recognise any person as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on the production of sufficient documentary proof and an indemnity.

7.25 Mode of Payment

All payments must be made through NEFT/RTGS/Cheque/ Fund Transfer as set out in the Application Form.

7.26 Effect of Holidays

In the event that any of the Coupon Payment Dates falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination, as the case may be. In the event that the date for performance of any event or the Maturity Date falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment or the date for performance of such event.

7.27 Right to Re-Purchase and Re-Issue Debenture (s)

The Company will have the power, subject to Applicable Law including NHB NCD Directions, exercisable at its absolute discretion from time to time to repurchase some or all the Debenture(s) at any time prior to the specified date of redemption. This right does not construe a call option. In the event of the Debenture(s) being bought back, or redeemed before maturity in any circumstance whatsoever, the Company shall be deemed to always have the right, subject to the provisions of Applicable Law, to re-issue such Debentures either by re-issuing the same Debenture(s) or by issuing other Debentures in their place.

The Company may also, at its discretion, at any time purchase Debenture(s) at discount, at par or at premium in the open market. Such Debenture(s) may, at the option of Company, be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

7.28 Variation of Debenture Holder(s) rights

The rights, privileges and conditions attached to the Debenture(s) and this Information Memorandum may be varied, modified or abrogated in accordance with the Articles of Association of the Company and the Act and with the consent of the Majority Debenture Holder(s) provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company.

Provided that the Debenture Trustee and the Issuer may agree to make any modifications in this Shelf Information Memorandum or any Supplemental Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

7.29 Issue of Debenture(s)

After completion of all legal formalities in respect of any Tranche of the Debentures, the securities held by the investor, under the ISIN representing the Letter(s) of Allotment, shall be converted into Non Convertible Debenture(s) as per the procedure laid down by NSDL in this behalf.



Register of Debenture Holder(s)

The Company shall request the Depository to provide a list of Beneficial Owners as at end of every Record date. This shall be the list, which shall be considered for payment of interest/ redemption premium and repayment of principal, as the case maybe. The list so provided by the Depository shall be deemed to be the Register of Debenture Holders in terms of Section 152 A of the Companies Act.

7.31 Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking TDS exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agent of the Issuer at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form.

If any payments under this Issue is subject to any tax deduction other than such amounts as are required as per current regulations existing as on the date of the Debenture Trust Deed, including if the Company shall be required legally to make any payment for Tax from the sums including coupon / interest payable under the Issue in terms of the Transaction Documents, ("Tax Deduction"), the Company shall make such Tax Deduction and shall simultaneously pay to the Debenture Holders such additional amounts as may be necessary in order that the net amounts received by the Debenture Holders after the Tax Deduction shall equal the respective amounts which would have been receivable by the Debenture Holders in the absence of such Tax Deduction.

7.32 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, will be credited in dematerialised form within 5 (Five) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within a maximum of 5 (Five) Business Days from the Deemed Date of Allotment or such period as is permissible under Applicable Law.

7.33 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 31, 2020 by which date the Investors would be intimated of allotment.

7.34 Record Date

The Record Date will be 7 (Seven) calendar days prior to any date on which on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders in accordance with the terms of the Debentures.

7.35 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

Interest on Application Money



The Company shall be liable to pay the Debenture Holders interest on application money, at the Coupon Rate for the period commencing from the credit of the subscription monies in respect of the Debentures in the account of the ICCL, in accordance with the EBP Guidelines and ending on the date falling 1 (One) day prior to the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders on the first Coupon Payment Date.

7.37 PAN Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

7.38 Payment on Redemption

Payment on redemption will be made by way of cheque(s)/redemption warrant(s)/demand draft(s)/credit through RTGS system/funds transfer in the name of the Debenture Holder whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Debenture Holder(s) on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall stand extinguished.

7.39 Future Borrowings

The Company shall be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee.

Disclaimer: Please note that only those persons to whom this Information Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all that documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.



SECTION 8: DECLARATION

The Issuer declares that all the relevant provisions in the regulations/guideline issued by SEBI and other applicable laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Issuer.

The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

We declare that: (a) the Company has complied with all the relevant provisions of the Companies Act, 1956 and the Companies Act, 2013 (the "Act"), and Rules made thereunder, the guidelines issued by the Government and the guidelines and circulars issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992 and Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NHBs-Debentures, etc. vide NHB Notification No. NHB.HFC.NCDDIR. 1/CMD/2014 dated March 19, 2014 as amended from time to time, have been complied with and no statement made in this Disclosure Document is contrary to the provisions of the Companies Act, 1956 and the notified sections of the Companies Act, 2013 or the Securities and Exchange Board of India Act, 1992 or rules, guidelines and circulars issued thereunder; (b) the compliance with the said Act and the Rules made thereunder do not imply that payment of interest or repayment of debentures is guaranteed by Central Government; (c) the monies received under this offer shall be used only for the purposes and objects indicated in Disclosure Document.

We, authorised by the Executive Committee of Board of Directors of the Company vide resolution dated December 25, 2020 to sign this form and Disclosure Documents and declare that all the requirements of the Companies Act, 2013 and the Rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and Disclosure Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

For Aavas Financiers Limited

Authorised Signatory



Name: Sharad Pathak

Title: Company Secretary and Compliance Officer

Date: December 30, 2020

Place: Jaipur

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I: TERM SHEET

As provided in Paragraph 5.27 above.



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

[Attached Separately]



ANNEXURE II: RATING LETTER FROM THE RATING AGENCY



ICRA

ICRA Limited

Ref: D/RAT/A-508/2020-21/8

December 22, 2020

Mr. Ghanshyam Rawat
Chief Financial Officer
Aavas Financiers Limited
201-202, Southend Square SP-1, 2nd Floor
Mansarovar Industrial Area
Jaipur 302020

Dear Sir,

Re: ICRA Credit Rating for the Rs. 100 crore Non-Convertible Debenture (NCD) Programme of Aavas Financiers Limited

Please refer to your Rating Agreement dated December 21, 2020, seeking rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a "[ICRA]AA-" (pronounced as ICRA Double A Minus) rating to the Rs. 100 crore NCD programme of Aavas Financiers Limited. ICRA also has a rating of [ICRA]AA- outstanding for the Rs. 390 crore NCD Programme of the company. The outlook on the long-term rating is "Stable". Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as "[ICRA] AA- (Stable)".

We would request if you can sign the acknowledgement and send it to us latest by December 28, 2020 as acceptance on the assigned rating. In case you do not communicate your acceptance/non-acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non-accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on '*Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)*' Issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned.

ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai-400025

Tel. : +91.22.61693300
CIN : L74999DL1991PLC042749

Website : www.icra.in
Email : info@icraindia.com
Helpdesk : +91.9354738909

Registered Office : 1105, Kailash Building, 11th Floor, 26 Kasturba Gandhi Marg, New Delhi - 110001. Tel. : +91.11.23357940-45

RATING • RESEARCH • INFORMATION



As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly 'No Default Statement (NDS)' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

For ICRA Limited

KARTHIK SRINIVASAN
2020.12.22 17:13:37 +05'30'

Karthik Srinivasan
Senior Vice President
Group Head - Financial Sector Ratings
karthiks@icraindia.com

Encl:-

- 1) Instrument Details
- 2) Acknowledgement
- 3) No-Default Statement Format

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

[Attached Separately]



ANNEXURE III: DEBENTURE TRUSTEE CONSENT LETTER

Part A



IDBI Trusteeship Services Ltd
CIN : U65991MH2001GOI131154



Ref No.: CL/20-21/DEB/1091
Date: 26.12.2020

AAVAS FINANCIERS LIMITED ("Company")
201-202, 2nd Floor,
Southend Sqaure, Mansarovar Industrial Area,
Jaipur-302020

Kind Attn.: Mr. Rahul Khandelwal

Dear Sir,
Subject: Consent to act as Debenture Trustee for the listed, rated, secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs 100 Crore.

This is with reference to your approval mail dated 24.12.2020 and further discussion, regarding appointment of IDBI Trusteeship Services Limited ("ITSL") as Debenture trustee for the listed, rated, secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs 100 Crore. In this connection, we indicate our trusteeship remuneration for the said assignment as follows:

Charge Heads	Terms
Acceptance Fees	Rs. 225,000/- plus applicable taxes (Onetime payment, Payable upfront and Non-Refundable)
Service Charges	Nil
Delay Payment Charges	In case the payment of the service charges not received within a period of 30 days from the date of the bill, ITSL reserves the right to charge "delayed payment charges" @ 12% on the outstanding amount.
Out of Pocket Expenses & Statutory Dues including arbitration cost, if any	Would be reimbursable on actual basis within 30 days of the claim.
Validity:	This Consent is valid for a Period of three (3) months from the date of this letter and shall stand automatically cancelled/revoked/withdrawn without any further communication/reference to you unless otherwise revalidated by us. This Consent Letter shall not be construed as giving rise to any obligation on the part of IDBI Trusteeship Services Ltd to act as Debenture Trustee unless the Company communicates acceptance to ITSL within 3 days from the date of this letter and also executes Trusteeship documents including Debenture Documents within 30 days from the date of this letter or such extended time as may be agreed to by ITSL.
Reset Clause	NA
Any enforcement consequent to the event of default (EOD) would attract separate charges	

Assure you of our best services at all times.
Yours faithfully,
For IDBI TRUSTEESHIP SERVICES LIMITED

we accept the above terms
For AAVAS FINANCIERS LIMITED

(Authorized Signatory)

(Authorized Signatory)

NOTE: As per recent Good and Service Tax guidelines, ITSL would be required to pay the applicable Goods and Service Tax on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

Ref No.: CL/20-21/DEB/1091
Date: 26.12.2020

AAVAS FINANCIERS LIMITED ("Company")
201-202, 2nd Floor,
Southend Sqaure, Mansarovar Industrial Area,
Jaipur-302020

Kind Attn.:- Mr. Rahul Khandelwal

Dear Sir,

Subject: Consent to act as Debenture Trustee for the listed, rated, secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs 100 Crore.

This is with reference to your approval mail dated 24.12.2020 and further discussion, regarding appointment of IDBI Trusteeship Services Limited ("ITSL") as Debenture trustee for the listed, rated, secured Redeemable Non-Convertible Debentures (NCDs) aggregating upto Rs 100 Crore..

We are agreeable for inclusion of our name as trustee in the offer document/disclosure document or any other authority as required subject to the following conditions:

1. The Company shall enter into Written Debenture Trustee Agreement for the said issue before the opening of Subscription list for issue of debentures.
2. The Company agrees and undertakes to create the securities over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture/Bond Trust Deed and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document within three months from the closure of the issue or offer of debentures.
3. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture/Bond Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture/Bond Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures/Bond have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
4. The Company shall agree & undertake to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI Circular No. SEBI/IMD/BOND/1/2009/11/05 dated the 11th May, 2009 on Simplified Listing Agreement for Debt Securities read with the SEBI Circular No. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated the 26th November, 2009, the Companies Act, 1956 and the Companies Act, 2013, as amended from time to time and other applicable provisions and agree to furnish to Trustees such information in terms the same on regular basis.
5. Any payment in respect of Debentures required to be made by the Debenture Trustee to a Debenture Holder (who is a FII Entity) at the time of enforcement would, if required by applicable law, be subject to the prior approval of RBI for such remittance through an Authorised Dealer. The Company/Investor shall obtain all such approvals, if required, to ensure prompt and timely payments to the said Debenture Holder. Such remittance shall not exceed total investment (and interest provided for herein) made by the Debenture/Bond Holder (who is a FII).

Regd. Office : Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001.
Tel. : 022-4080 7000 • **Fax :** 022-6631 1776 • **Email :** itsl@idbitrustee.com • response@idbitrustee.com

Looking forward to a fruitful association with you and assuring you of our best services at all times.

Thanking you,

For IDBI TRUSTEESHIP SERVICES LIMITED



(Authorized Signatory)

We accept the above terms
For AAVAS FINANCIERS LIMITED



(Authorized Signatory)

ANNEXURE IV: APPLICATION FORM

AAVAS FINANCIERS LIMITED

CIN No. L65922RJ2011PLC034297

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: February 23, 2011*

Registered Office: 201-202, Southend Square SP-1, 2nd Floor, Mansarovar Industrial Area,
Jaipur – 302020

Telephone No.: 0141-4110060

Website: www.aavas.in

*On conversion of AAVAS FINANCIERS LIMITED (Formerly known as Au Housing Finance Limited) a fresh certificate of incorporation has been issued on 29th March 2017.

DEBENTURE SERIES APPLICATION FORM SERIAL NO.

ISSUE OF UPTO 100 (ONE HUNDRED) RATED LISTED SENIOR SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF AAVAS FINANCIERS LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 10,00,00,000/- (RUPEES TEN CRORES ONLY) WITH A GREEN SHOE OPTION OF UP TO 900 (NINE HUNDRED) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 90,00,00,000/- (RUPEES NINETY CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures ___ In words ___

Amount Rs. ___/- in words Rupees ___ Crores only

DETAILS OF PAYMENT:

RTGS

No. ___ Drawn on ___

Funds transferred to Indian Clearing Corporation Limited

Dated ___

Total Amount Enclosed

(In Figures) ___ (In words) ___

APPLICANT'S NAME IN FULL (CAPITALS)

SPECIMEN SIGNATURE



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

APPLICANT'S ADDRESS

ADDRESS			
STREET			
CITY			
PIN		PHONE	
		FAX	

APPLICANT'S PAN/GIR NO. AAICM0721B IT CIRCLE/WARD/DISTRICT _____

WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the Memorandum and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	NSDL () CDSL ()
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	
---	--

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____



We understand and confirm that the information provided in the Information Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

The Company understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and (ii) the hedging price being acceptable to the Applicants.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) the Applicant must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

We understand that we are assuming on our own account, all risk of loss that may occur or be suffered by us including as to the returns on and/or the sale value of the Debentures. We undertake that upon sale or transfer to subsequent investor or transferee ("Transferee"), we shall convey all the terms and conditions contained herein and in this Information Memorandum to such Transferee. In the event of any Transferee (including any intermediate or final holder of the Debentures) suing the Issuer (or any person acting on its or their behalf) we shall indemnify the Issuer and also hold the Issuer and each of such person harmless in respect of any claim by any Transferee.

Applicant's
Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

------(TEAR HERE)-----

- ACKNOWLEDGMENT SLIP -

(To be filled in by Applicant) SERIAL NO.	1							
---	---	--	--	--	--	--	--	--

Received from

Address _____	
Cheque/Draft/UTR # _____	Drawn on _____ for
Rs. _____	on account of application of _____ Debenture



(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE V: AUDITED FINANCIAL STATEMENTS

[Attached Separately]



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Aavas Financiers Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Aavas Financiers Limited (the "Company") for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

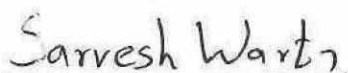
Emphasis of Matter

5. We draw attention to Note 6 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Company's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 20121411AAABQF5582

Mumbai

October 29, 2020

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to The Board of Directors Aavas Financiers Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Aavas Financiers Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), for the quarter ended September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entity:
 - i) Aavas Finserv Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

6. We draw attention to Note 7 to the Statement, which describes the extent to which the COVID-19 pandemic will impact the Group's operations and its financial metrics including the expected credit loss on financial assets which are dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

Sarvesh Warty

per Sarvesh Warty

Partner

Membership No.: 121411

UDIN: 20121411AAABQG8333

Mumbai

October 29, 2020

STANDALONE – FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Particulars	Quarter ended			Half year ended		(INR in lakh)
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I Revenue from operations						
Interest income	24,302.41	22,864.81	18,805.55	47,167.22	36,967.88	78,542.51
Fees and commission income	814.12	369.84	748.41	1,183.96	1,435.04	3,327.60
Gain on derecognition of financial instruments under amortised cost category	1,844.14	-	3,441.57	1,844.14	4,134.29	7,658.88
Net gain on fair value changes	76.52	110.44	124.32	186.97	326.50	600.43
Total revenue from operations	27,037.19	23,345.09	23,119.85	50,382.29	42,863.71	90,229.42
II Other Income	3.19	14.33	3.92	17.52	11.95	79.99
III Total income (I+II)	27,040.38	23,359.42	23,123.77	50,399.81	42,875.66	90,309.41
IV Expenses						
Finance costs	11,436.49	11,182.07	8,334.88	22,618.56	16,373.81	35,607.15
Fees and commission expense	175.08	123.40	217.46	298.48	334.43	490.05
Impairment on financial instruments	805.60	595.58	448.43	1,401.18	773.10	1,533.78
Employee benefits expense	4,296.42	3,604.23	3,381.29	7,900.65	6,570.57	14,707.45
Depreciation, amortization and impairment	511.63	476.21	668.02	987.83	865.13	1,956.13
Other expenses	1,354.42	1,055.37	976.71	2,409.79	2,427.97	5,810.18
Total expenses (IV)	18,579.64	17,036.86	14,026.79	35,616.49	27,345.01	60,104.74
V Profit before tax (III-IV)	8,460.74	6,322.56	9,096.98	14,783.32	15,530.65	30,204.67
VI Tax expense:						
(1) Current tax	1,973.01	1,859.01	1,548.69	3,832.02	3,694.35	6,397.21
(2) Deferred tax expense/(credit)	(131.03)	(544.16)	(52.27)	(675.19)	(295.01)	(1,104.63)
Total tax expense (VI)	1,841.98	1,314.85	1,496.42	3,156.83	3,399.34	5,292.58
VII Profit for the period (V-VI)	6,618.76	5,007.71	7,600.56	11,626.49	12,131.31	24,912.09
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	48.13	-	8.91	48.13	8.91	(6.97)
Income Tax Effect	(12.11)	-	(2.24)	(12.11)	(2.24)	1.75
b) Items that will be reclassified to profit or loss	-	-	-	-	-	-
VIII Other comprehensive income, net of income tax	36.02	-	6.67	36.02	6.67	(5.22)
IX Total comprehensive income for the period (VII+VIII)	6,654.78	5,007.71	7,607.23	11,662.51	12,137.98	24,906.87
X Earnings per equity share (EPS for the quarters/half years are not annualised)						
Basic (Amount in INR)	8.45	6.39	9.73	14.84	15.53	31.86
Diluted (Amount in INR)	8.37	6.33	9.62	14.71	15.35	31.49
Face value per share (Amount in INR)	10.00	10.00	10.00	10.00	10.00	10.00

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Notes to the financial results:

- The financial results have been prepared in accordance with applicable accounting standards prescribed under section 133 of Companies Act, 2013 read with (Indian Accounting Standard) Rules, 2015 (Ind AS), as amended from time to time, and other accounting principles generally accepted in India.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2020 and subjected to limited review by the statutory auditors of the Company.

Particulars	(INR in Lakh)		
	As at		
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
ASSETS			
Financial assets			
Cash and cash equivalents	2,510.94	23,710.52	35,022.40
Other bank balance	148,040.44	59,443.13	84,183.13
Derivative financial instruments	-	89.06	-
Loans	668,734.46	531,423.83	618,079.83
Investments	450.00	450.00	450.00
Other financial assets	18,029.83	17,252.26	18,136.68
Sub-total - Financial Assets	837,765.67	632,368.80	755,872.04
Non-financial assets			
Current tax assets (net)	758.44	1,945.01	1,438.03
Property, plant and equipment	2,506.88	1,942.76	2,699.83
Capital work-in-progress	1.71	-	90.99
Intangible assets under development	51.67	36.44	39.90
Other Intangible assets	388.81	359.61	414.84
Right-of-use assets	2,745.75	2,696.34	2,874.20
Other non-financial assets	838.22	1,201.79	629.73
Sub-total - Non-financial Assets	7,291.48	8,181.95	8,127.52
Assets held for sale	1,637.07	1,174.01	1,804.30
Total Assets	846,694.22	641,724.76	765,803.86
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,359.41	2,660.11	1,737.64
Debt securities	126,929.18	77,848.16	116,846.54
Borrowings (other than Debt Securities)	465,723.40	334,014.35	408,391.40
Subordinated liabilities	9,969.54	9,961.86	9,965.61
Lease liabilities	2,955.99	2,754.45	3,012.91
Other financial liabilities	13,413.46	12,038.83	10,694.78
Sub-total - Financial Liabilities	620,350.98	439,277.76	550,648.88
Non-financial liabilities			
Provisions	639.57	609.08	827.04
Deferred tax liabilities (net)	2,495.11	3,979.91	3,170.30
Other non-financial liabilities	1,059.16	1,654.39	1,364.27
Sub-total - Non-financial Liabilities	4,193.84	6,243.38	5,361.61
Equity			
Equity share capital	7,838.41	7,816.84	7,832.27
Other equity	214,310.99	188,386.78	201,961.10
Sub-total - Equity	222,149.40	196,203.62	209,793.37
Total Liabilities and Equity	846,694.22	641,724.76	765,803.86

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

Particulars	(INR in Lakh)		
	Period ended		
	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss	14,783.32	15,530.65	30,204.67
Adjustments for			
Depreciation and amortisation of PPE and right of use assets	987.83	865.13	1,956.13
Interest on lease liabilities	81.58	110.59	249.58
Net gain on derecognition on assigned loans	1,281.63	(1,588.16)	(2,154.54)
Provision for expected credit loss (ECL)	1,398.02	542.71	1,026.98
Provision for employee benefits	162.33	107.97	281.30
Derivative mark to market gain	-	(3.24)	(3.23)
Provision for CSR expenditure	-	(46.92)	17.28
Share based payments	489.00	171.43	647.14
Operating profit before working capital changes	19,183.71	15,690.16	32,225.31
Changes in working capital			
Increase in loans	(51,953.34)	(59,357.28)	(146,461.03)
(Increase)/decrease in financial and other assets	(1,584.78)	151.47	(1,572.05)
Increase in financial and other liabilities	856.78	6,128.16	4,708.25
Total of changes in working capital	(52,681.34)	(53,077.65)	(143,324.83)
Direct taxes paid	(3,164.55)	(3,929.52)	(6,126.03)
Net cash flow used in operating activities (A)	(36,662.18)	(41,317.01)	(117,225.55)
Cash flow from investing activities:			
Inflow (outflow) on account of:			
Investment in fixed deposits	(63,857.30)	(7,494.53)	(32,234.53)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(244.39)	(508.72)	(1,954.17)
Sale of Property, plant and equipment	0.39	11.84	14.43
Net cash flow used in investing activities (B)	(64,101.30)	(7,991.41)	(34,174.27)
Cash flow from financing activities:			
Issue of equity shares (including share premium)	207.72	198.28	547.42
Share / debenture issue expenses	(14.34)	(395.01)	(908.10)
Proceeds from borrowings	108,509.04	87,035.08	236,122.26
Repayment of borrowings	(39,934.55)	(29,312.61)	(64,283.88)
Repayment of lease liabilities	(515.85)	(473.02)	(1,021.70)
Net Cash flow from financing activities (C)	68,252.02	57,052.72	170,456.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,511.46)	7,744.30	19,056.18
Cash and cash equivalents as at the beginning of the year	35,022.40	15,966.22	15,966.22
Cash and cash equivalents at the end of the period	2,510.94	23,710.52	35,022.40

5 The Company has allotted 5,759 and 55,645 equity shares to eligible employees under Employee stock Option Plan (ESOP) 2016 at a price of INR 215.25 and INR 328 per equity share at premium of INR 205.25 and INR 318 per equity share respectively.

6 COVID-19 is a global pandemic, which continues to spread across the world with India not being an exception and has contributed to a significant volatility in global and Indian financial markets and a unprecedented level of disruption on socio-economic activities. Based on the information available till date, the Company has used the principles of prudence to provide for the impact of the pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets. This has resulted in an additional provision of INR 568 lakh against financial assets during the quarter, taking the overall additional provision of INR 1,473.75 lakh as of September 30, 2020. The extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics including the expected credit losses on financial assets will depend on future developments, which are highly uncertain.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential assets classification shall remain stand still 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).

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of standalone financial results for the quarter and half year ended September 30, 2020

- 7 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 ('RBI Regulatory Package') the Company is granting moratorium on the payment of Installments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 ('moratorium period') to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification. The Company holds provisions as at September 30, 2020 / March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package-Asset Classification and Provisioning' are given below:

Particulars	(INR in Lakh)	
	As at	
	30.09.2020	31.03.2020
Amount in SMA/Overdue categories as of February 29, 2020*	16,767.30	16,767.30
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	16,516.30	15,486.39
Respective amount where asset classification benefit is extended (as of September 30, 2020 / March 31, 2020)	8,564.93	722.44
Provision made in terms of paragraph 5 of the circular (As per para 4, applicable to HFC's covered under Ind AS) (as of September 30, 2020 / March 31, 2020) **	1,473.75	443.75
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of September 30, 2020 / March 31, 2020 in terms of paragraph 6 of the circular	1,473.75	443.75

*SMA/Overdue category includes - Cases (1-90 days past due (DPD))

**This includes overall additional provision on account of COVID-19

- 8 Honourable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ('interim order'), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account which was not NPA as of August 31, 2020 as per NHB norms, as NPA after August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble SC rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- 9 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ('the Scheme'), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.
- 10 The Company is engaged primarily in the business of housing finance and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.
- 11 Figures for the previous year/period have been regrouped and / or reclassified wherever considered necessary.

Place: Jaipur
Date: October 29, 2020



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

Sushil Kumar Agarwal
Sushil Kumar Agarwal
(Managing Director and CEO)



CONSOLIDATED - FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Particulars	Quarter ended			Half year ended		(INR in lakh)
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	Year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2020
I Revenue from operations						
Interest income	24,307.98	22,870.70	18,809.84	47,178.67	36,979.85	78,667.67
Fees and commission income	814.12	369.84	748.41	1,183.96	1,435.04	3,327.60
Gain on derecognition of financial instruments under amortised cost category	1,844.14	-	3,441.57	1,844.14	4,134.29	7,658.88
Net gain on fair value changes	76.52	110.44	124.32	186.97	326.50	600.43
Total revenue from operations	27,042.76	23,350.98	23,124.14	50,393.74	42,875.68	90,254.58
II Other Income	3.19	14.33	3.92	17.52	11.95	79.99
III Total income (I+II)	27,045.95	23,365.31	23,128.06	50,411.26	42,887.63	90,334.57
IV Expenses						
Finance costs	11,436.49	11,182.07	8,334.88	22,618.56	16,373.81	35,607.15
Fees and commission expense	175.08	123.40	217.46	298.48	334.43	490.05
Impairment on financial instruments	805.60	596.58	448.43	1,401.18	773.10	1,533.78
Employee benefits expense	4,318.52	3,624.66	3,381.29	7,943.18	6,570.57	14,740.79
Depreciation, amortization and impairment	511.81	476.39	668.02	988.19	865.13	1,956.26
Other expenses	1,356.97	1,055.76	976.99	2,412.73	2,429.58	5,812.90
Total expenses (IV)	18,604.47	17,057.86	14,027.07	35,662.32	27,346.62	60,140.93
V Profit before tax (III-IV)	8,441.48	6,307.45	9,100.99	14,748.94	15,541.01	30,193.64
VI Tax expense:						
(1) Current tax	1,973.01	1,859.01	1,549.57	3,832.02	3,696.78	6,397.21
(2) Deferred tax expense/(credit)	(135.99)	(548.07)	(52.27)	(684.06)	(295.01)	(1,107.73)
Total tax expense (VI)	1,837.02	1,310.94	1,497.30	3,147.96	3,401.77	5,289.48
VII Profit for the period (V-VI)	6,604.46	4,996.51	7,603.69	11,600.98	12,139.24	24,904.16
Other comprehensive income						
a) Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability	48.13	-	8.91	48.13	8.91	(6.97)
Income Tax Effect	(12.11)	-	(2.24)	(12.11)	(2.24)	1.75
b) Items that will be reclassified to profit or loss						
VIII Other comprehensive income, net of income tax	36.02	-	6.67	36.02	6.67	(5.22)
IX Total comprehensive income for the period (VII+VIII)	6,640.48	4,996.51	7,610.36	11,637.00	12,145.91	24,898.94
X Earnings per equity share (EPS for the quarters/half years are not annualised)						
Basic (Amount in INR)	8.43	6.38	9.73	14.81	15.54	31.85
Diluted (Amount in INR)	8.36	6.32	9.62	14.68	15.36	31.48
Face value per share (Amount in INR)	10.00	10.00	10.00	10.00	10.00	10.00

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Notes to the financial results :

- 1 The consolidated financial results have been prepared in accordance with Ind AS 110 – Consolidated Financial Statements, prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the relevant rules issued thereunder and the other relevant provisions of the Act.
- 2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 29, 2020 and subjected to limited review by the statutory auditors of the Company.

Statement of Assets and Liabilities		(INR in Lakh)		
		As at		
		30.09.2020	30.09.2019	31.03.2020
Particulars		(Unaudited)	(Unaudited)	(Audited)
ASSETS				
Financial assets				
Cash and cash equivalents		2,956.56	23,761.10	35,059.39
Other bank balance		148,040.44	59,873.13	84,613.13
Derivative financial instruments		-	89.06	-
Loans		668,734.46	531,423.83	618,079.83
Other financial assets		18,030.31	17,253.39	18,137.69
Sub-total - Financial Assets		837,761.77	632,400.51	755,890.04
Non-financial assets				
Current tax assets (net)		764.51	1,945.70	1,443.24
Property, plant and equipment		2,507.66	1,942.76	2,700.97
Capital work-in-progress		1.71	-	30.99
Intangible assets under development		51.67	36.44	39.90
Other intangible assets		388.81	359.61	414.84
Right-of-use assets		2,745.75	2,696.34	2,874.20
Other non-financial assets		798.80	1,184.95	603.89
Sub-total - Non-financial Assets		7,258.91	8,165.80	8,108.03
Assets held for sale		1,637.07	1,174.01	1,804.30
Total Assets		846,657.75	641,740.32	765,802.37
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,359.95	2,661.65	1,738.64
Debt securities		126,929.18	77,848.16	116,846.54
Borrowings (other than Debt Securities)		465,723.40	334,014.35	408,391.40
Subordinated liabilities		9,969.54	9,961.86	9,965.61
Lease liabilities		2,955.99	2,754.45	3,012.91
Other financial liabilities		13,413.46	12,038.83	10,694.78
Sub-total - Financial Liabilities		620,351.52	439,279.30	550,649.88
Non-financial liabilities				
Provisions		639.57	609.08	827.04
Deferred tax liabilities (net)		2,483.13	3,979.91	3,167.20
Other non-financial liabilities		1,061.48	1,654.39	1,366.73
Sub-total - Non-financial Liabilities		4,184.18	6,243.38	5,360.97
Equity				
Equity share capital		7,838.41	7,816.84	7,832.27
Other equity		214,283.64	188,400.80	201,959.25
Sub-total - Equity		222,122.05	196,217.64	209,791.52
Total Liabilities and Equity		846,657.75	641,740.32	765,802.37

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

Particulars	(INR in Lakh)		
	Period ended		
	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Audited)
Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss	14,748.94	15,541.01	30,193.64
Adjustments for:			
Depreciation and amortisation of PPE and right of use assets	988.19	865.13	1,956.27
Interest on lease liabilities	81.58	110.59	249.58
Net gain on derecognition on assigned loans	1,281.63	(1,588.16)	(2,154.54)
Provision for expected credit loss (ECL)	1,598.02	542.71	1,025.98
Provision for employee benefits	162.33	107.97	281.80
Derivative mark to market gain	-	(3.24)	(3.23)
Provision for CSR expenditure	-	(46.92)	17.28
Share based payments	489.00	171.43	647.14
Operating profit before working capital changes	19,149.69	15,700.52	32,214.42
Changes in working capital			
Increase in loans	(51,953.34)	(59,357.28)	(146,461.03)
(Increase)/decrease in financial and other assets	(1,584.44)	153.23	(1,569.30)
Increase in financial and other liabilities	869.95	6,131.46	4,722.78
Total of changes in working capital	(52,667.83)	(53,072.59)	(143,307.55)
Direct taxes paid	(3,165.41)	(3,931.12)	(6,130.92)
Net cash flow used in operating activities (A)	(36,683.55)	(41,303.19)	(117,224.09)
Cash flow from Investing activities:			
Inflow (outflow) on account of:			
Investment in fixed deposits	(63,427.30)	(7,494.53)	(32,284.53)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(244.39)	(508.72)	(1,955.45)
Sale of Property, plant and equipment	0.39	11.84	14.43
Net cash flow used in investing activities (B)	(63,671.30)	(7,991.41)	(34,175.55)
Cash flow from financing activities:			
Issue of equity shares (including share premium)	207.72	198.28	547.42
Share / debenture issue expenses	(14.34)	(395.01)	(908.10)
Proceeds from borrowings	108,509.04	87,035.07	236,122.26
Repayment of borrowings	(39,934.55)	(29,312.61)	(64,283.88)
Repayment of lease liabilities	(515.85)	(473.02)	(1,021.70)
Net Cash flow from financing activities (C)	68,252.02	57,052.71	170,456.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(32,102.83)	7,758.11	19,056.40
Cash and cash equivalents as at the beginning of the year	35,059.39	16,002.99	16,002.99
Cash and cash equivalents at the end of the period	2,956.56	23,761.10	35,059.39

5 The consolidated financial results include result of the following Company:

Name of the Company	% Shareholding and voting power of Aavas Financiers Limited	Consolidated as
Aavas Finserv Limited	100%	Subsidiary

6 The Holding Company has allotted 5,759 and 55,645 equity shares to eligible employees under Employee stock Option Plan (ESOP) 2016 at a price of INR 215.25 and INR 328 per equity share at premium of INR 205.25 and INR 318 per equity share respectively.

7 COVID-19 is a global pandemic, which continues to spread across the world with India not being an exception and has contributed to a significant volatility in global and Indian financial markets and a unprecedented level of disruption on socio-economic activities. Based on the information available till date, the Company has used the principles of prudence to provide for the impact of the pandemic on the Financial Statements specifically while assessing the expected credit loss on financial assets. This has resulted in an additional provision of INR 568 lakh against financial assets during the quarter, taking the overall additional provision of INR 1,473.75 lakh as of September 30, 2020. The extent to which the COVID-19 pandemic will impact the Company's operations and financial metrics including the expected credit losses on financial assets will depend on future developments, which are highly uncertain.

In accordance with the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Company has offered moratorium on the payment of all installments and/or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers. For all such accounts opting for moratorium, the prudential assets classification shall remain stand still 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).

AAVAS FINANCIERS LIMITED
(CIN: L65922RJ2011PLC034297)

Statement of consolidated financial results for the quarter and half year ended September 30, 2020

- 8 In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 ("RBI Regulatory Package") the Company is granting moratorium on the payment of installments and / or interest, as applicable, falling due between March 01, 2020 and August 31, 2020 ("moratorium period") to all eligible borrowers. In accordance with RBI guidelines, the moratorium period, wherever granted, is excluded by the Company from the number of days past-due for the purpose of asset classification. The Company holds provisions as at September 30, 2020 / March 31, 2020 against the potential impact of COVID-19 based on the information available up to a point in time.

Disclosures as required by RBI circular dated April 17, 2020 "COVID-19 Regulatory Package-Asset Classification and Provisioning" are given below:

Particulars	(INR in Lakh)	
	As at	
	30.09.2020	31.03.2020
Amount in SMA/Overdue categories as of February 29, 2020*	16,767.30	16,767.30
Advances outstanding in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	16,516.30	15,486.39
Respective amount where asset classification benefit is extended (as of September 30, 2020 /March 31, 2020)	8,564.93	722.44
Provision made in terms of paragraph 5 of the circular (As per para 4, applicable to HFC's covered under Ind AS) (as of September 30, 2020 /March 31, 2020) **	1,473.75	443.75
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of September 30, 2020 /March 31, 2020 in terms of paragraph 6 of the circular	1,473.75	443.75

*SMA/Overdue category includes - Cases (1-90 days past due (DPD))

**This includes overall additional provision on account of COVID-19

- 9 Honourable Supreme Court of India (Hon'ble SC) in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr), vide an interim order dated September 03, 2020 ("Interim order"), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account which was not NPA as of August 31, 2020 as per NHB norms, as NPA after August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble SC rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.
- 10 The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has commenced working on the operational aspects of the Scheme. On the basis of the initial assessment made by the Company, the implementation of the Scheme does not have a material impact on the income statement of the Company.
- 11 The Holding Company is engaged primarily in the business of housing finance and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segments.
- 12 Figures for the previous year/period have been regrouped and / or reclassified wherever considered necessary.

Place: Jaipur
Date: October 29, 2020



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

Sushil Kumar Agarwal
Sushil Kumar Agarwal
(Managing Director and CEO)

STANDALONE - FINANCIAL YEAR 2019-20

Standalone Balance Sheet as at March 31, 2020

(₹ in lakh)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Financial assets			
Cash and cash equivalents	2	35,022.40	15,966.22
Bank balance other than cash and cash equivalents	2	84,183.13	51,948.61
Derivative financial instruments	3	-	87.86
Loans	4	6,18,079.83	4,72,449.00
Investments	5	450.00	450.00
Other financial assets	6	18,136.68	16,359.12
Total financial assets		7,55,872.04	5,57,260.81
Non-financial assets			
Current tax assets (net)		1,438.03	1,707.41
Property, plant and equipment	7(a)	2,699.83	1,922.97
Capital work-in-progress	7(b)	50.99	-
Intangible assets under development	7(c)	39.90	9.08
Other intangible assets	7(d)	414.84	359.12
Right-of-use assets	8	2,874.20	-
Other non-financial assets	9	629.73	454.61
Total non-financial assets		8,127.52	4,433.19
Assets held for sale	10	1,804.30	938.79
Total Assets		7,65,803.86	5,62,682.79
Liabilities and Equity			
Liabilities			
Financial liabilities			
Payables	11		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		1,737.64	949.25
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	12	1,16,846.54	43,705.08
Borrowings (other than debt securities)	13	4,08,391.40	3,11,661.71
Subordinated liabilities	14	9,965.61	9,958.30
Lease liabilities	15	3,012.91	-
Other financial liabilities	16	10,694.78	7,163.18
Total financial liabilities		5,50,648.88	3,73,437.52
Non-financial liabilities			
Provisions	17	827.04	443.05
Deferred tax liabilities (net)	18	3,170.30	4,274.93
Other non-financial liabilities	19	1,364.27	831.36
Total non-financial liabilities		5,361.61	5,549.34
Equity			
Equity share capital	20	7,832.27	7,810.79
Other equity	21	2,01,961.10	1,75,885.14
Total equity		2,09,793.37	1,83,695.93
Total Liabilities and Equity		7,65,803.86	5,62,682.79
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Battiboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

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

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Ghanshyam Rawat
(Chief Financial Officer)

Sharad Pathak
(Company Secretary &
Compliance Officer)

Date: May 14, 2020

Place: Jaipur

Place: Jaipur

Standalone Statement of profit and loss for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	22	78,642.51	59,354.82
Fees and commission income	23	3,327.60	2,602.73
Net gain on derecognition of financial instruments under amortised cost category		7,658.88	7,828.01
Net gain on fair value changes	24	600.43	1,211.42
Total revenue from operations		90,229.42	70,996.98
Other income	25	79.99	100.27
Total income		90,309.41	71,097.25
Expenses			
Finance costs	26	35,607.15	25,536.71
Fees and commission expense	27	490.05	492.20
Impairment on financial instruments	28	1,533.78	889.77
Employee benefits expense	29	14,707.45	11,723.54
Depreciation, amortization and impairment	7(a) & 7(c)	1,956.13	972.54
Other expenses	30	5,810.18	5,713.47
Total expenses		60,104.74	45,328.03
Profit/(loss) before tax		30,204.67	25,769.22
Tax expense:	18		
(1) Current tax		6,397.21	5,038.29
(2) Deferred tax		(1,104.63)	3,139.70
Profit/(loss) for the year		24,912.09	17,591.23
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	29	(6.97)	35.07
Income tax effect	18	1.75	(12.25)
b) Items that will be reclassified to profit or loss			
Other comprehensive income, net of income tax		(5.22)	22.82
Total comprehensive income for the year		24,906.87	17,614.05
Earnings per equity share	31		
Basic (₹)		31.86	23.65
Diluted (₹)		31.49	23.08
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

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

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Ghanshyam Rawat
(Chief Financial Officer)
Place: Jaipur

Sharad Pathak
(Company Secretary &
Compliance Officer)
Place: Jaipur

Date: May 14, 2020

Standalone Cash flow statement for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		30,204.67	25,769.22
Adjustments for:			
Depreciation and amortisation of PPE and right of use assets	7 & 8	1,956.15	972.54
Interest on lease liabilities		249.58	-
Net gain on derecognition on assigned loans		(2,154.54)	(4,232.09)
Provision for expected credit loss (ECL)	26	1,026.98	563.25
Provision for employee benefits		281.30	155.11
Derivative mark to market gain	24	(3.23)	(28.97)
Provision for CSR expenditure		17.28	44.79
Share based payments	29	647.14	686.02
Operating profit before working capital changes		32,225.31	23,929.57
Changes in working capital:			
Increase in loans		(1,46,461.03)	(1,39,566.53)
Increase in financial and other assets		(1,572.06)	(4,352.77)
Net increase(decrease) in financial and other liabilities		4,708.29	(808.29)
Total of changes in working capital		(1,43,324.83)	(1,44,727.59)
Direct taxes paid		(6,126.03)	(6,809.60)
Net cash flow used in operating activities (A)		(1,17,225.55)	(1,27,607.52)
B. Cash flow from investing activities:			
Inflow (outflow) on account of:			
Investment in fixed deposits		(32,294.53)	(31,301.20)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	7	(1,954.17)	(1,427.54)
Sale of Property, plant and equipment (including capital work-in-progress)		14.43	9.62
Net cash flow used in investing activities (B)		(34,174.27)	(32,718.92)
C. Cash flow from financing activities:			
Issue of equity shares (including share premium)		547.42	47,513.36
Share / debenture issue expenses		(908.10)	(1,292.90)
Proceeds from borrowings		2,36,122.28	1,46,533.36
Repayment of borrowings		(64,285.88)	(52,309.87)
Repayment of lease liabilities		(1,021.70)	-
Net Cash flow generated from financing activities (C)		1,70,456.00	1,40,443.95
Net increase(decrease) in cash and cash equivalents (A+B+C)		19,056.18	(19,882.49)
Cash and cash equivalents as at the beginning of the year		15,966.22	35,848.71
Cash and cash equivalents at the end of the year	2	35,022.40	15,966.22
Components of cash and cash equivalents:			
Cash on hand		45.71	202.00
Balance in banking machine ^a		0.95	0.95
Balance with banks			

Standalone Cash flow statement for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
In current accounts		-	3,872.39
In cash credit		2.74	645.06
In deposit account		34,975.00	11,245.82
Total cash and cash equivalents	2	35,022.40	15,966.22
Operational Cash Flow from Interest			
Interest Received		75,657.63	55,936.64
Interest Paid		(30,189.46)	(21,524.00)
Summary of significant accounting policies	1		

* The Company can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:-

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

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

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Ghanshyam Rawat
(Chief Financial Officer)

Sharad Pathak
(Company Secretary &
Compliance Officer)
Place: Jaipur

Date: May 14, 2020

Place: Jaipur

CONSOLIDATED - FINANCIAL YEAR 2019-20

Consolidated Balance Sheet as at March 31, 2020

		(₹ in lakh)	
Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	2	35,059.39	16,002.99
Bank balance other than cash and cash equivalents	2	84,613.13	52,378.61
Derivative financial instruments	3	-	87.86
Loans	4	6,18,079.83	4,72,449.00
Other financial assets	5	18,111.12	16,348.94
Total financial assets		7,55,863.47	5,57,267.40
Non-financial assets			
Current tax assets (net)		1,443.24	1,707.73
Property, plant and equipment	6(a)	2,700.97	1,922.97
Capital work-in-progress	6(b)	30.99	-
Intangible assets under development	6(c)	39.90	9.08
Other intangible assets	6(d)	414.84	359.12
Right-of-use assets	7	2,874.20	-
Other non-financial assets	8	630.46	434.92
Total non-financial assets		8,134.60	4,433.82
Assets held for sale	9	1,804.30	988.79
Total assets	TOTAL	7,65,802.37	5,62,690.01
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables	10		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,738.64	950.24
Debt securities	11	1,16,846.54	43,705.08
Borrowings (other than debt securities)	12	4,08,391.40	3,11,661.72
Subordinated liabilities	13	9,965.61	9,958.30
Lease liabilities	14	3,012.91	-
Other financial liabilities	15	10,694.78	7,163.18
Total financial liabilities		5,50,649.88	3,73,438.52
Non-financial liabilities			
Provisions	16	827.04	443.05
Deferred tax liabilities (net)	17	3,167.20	4,274.93
Other non-financial liabilities	18	1,366.73	831.50
Total non-financial liabilities		5,360.97	5,549.48
Equity			
Equity share capital	19	7,832.27	7,810.79
Other equity	20	2,01,959.25	1,75,891.22
Total equity		2,09,791.52	1,83,702.01
Total liabilities and equity	TOTAL	7,65,802.37	5,62,690.01
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Battiboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

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

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Ghanshyam Rawat
(Chief Financial Officer)

Sharad Pathak
(Company Secretary &
Compliance Officer)
Place: Jaipur

Date: May 14, 2020

Place: Jaipur

Consolidated Statement of profit and loss for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	21	78,667.67	59,374.89
Fees and commission income	22	3,327.60	2,602.73
Net gain on derecognition of financial instruments under amortised cost category		7,658.88	7,828.01
Net gain on fair value changes	23	600.43	1,211.42
Total revenue from operations		90,254.58	71,017.05
Other income	24	79.99	100.27
Total income		90,334.57	71,117.32
Expenses			
Finance costs	25	35,607.15	25,536.71
Fees and commission expense	26	490.05	492.20
Impairment on financial instruments	27	1,533.78	889.77
Employee benefits expense	28	14,740.79	11,723.54
Depreciation, amortization and impairment	6(a) & 6(c)	1,956.26	972.34
Other expenses	29	5,812.90	5,717.79
Total expenses		60,140.93	45,332.35
Profit/(loss) before tax		30,193.64	25,784.97
Tax expense:	17		
(1) Current tax		6,397.21	5,042.18
(2) Deferred tax		(1,107.73)	3,139.70
Profit/(loss) for the year		24,904.16	17,603.09
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	28	(6.97)	35.07
Income tax effect	17	1.75	(12.25)
b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income, net of income tax		(5.22)	22.82
Total comprehensive income for the year		24,898.94	17,625.91
Earnings per equity share	30		
Basic (₹)		31.85	23.66
Diluted (₹)		31.48	23.10
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

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

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Consolidated Cash flow statement for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net profit before tax as per statement of profit and loss		30,193.64	25,784.97
Adjustments for			
Depreciation and amortisation of PPE and right of use assets	6 & 7	1,956.27	972.34
Interest on lease liabilities		249.58	-
Net gain on derecognition on assigned loans		(2,154.54)	(4,232.09)
Provision for expected credit loss (ECL)	27	1,026.98	563.25
Provision for employee benefits		281.30	155.11
Derivative mark to market gain	23	(3.23)	(28.97)
Provision for CSR expenditure		17.28	44.79
Share based payments	28	647.14	686.02
Operating profit before working capital changes		32,214.42	23,945.42
Changes in working capital			
Increase in loans		(1,46,461.03)	(1,39,566.53)
Increase in financial and other assets		(1,569.30)	(4,349.93)
Net Increase/(decrease) in financial and other liabilities		4,722.78	(808.16)
Total of changes in working capital		(1,43,307.55)	(1,44,724.62)
Direct taxes paid		(6,130.92)	(6,811.54)
Net cash flow used in operating activities (A)		(1,17,224.05)	(1,27,590.74)
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Inflow (outflow) on account of :			
Investment in fixed deposits		(32,234.53)	(31,281.20)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	6	(1,955.45)	(1,427.34)
Sale of Property, plant and equipment (including capital work-in-progress)		14.43	9.62
Net cash flow used in investing activities (B)		(34,175.55)	(32,698.92)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Issue of equity shares (including share premium)		547.42	47,513.35
Share / debenture issue expenses		(908.10)	(1,292.90)
Proceeds from borrowings		2,36,122.26	1,46,533.36
Repayment of borrowings		(64,283.88)	(52,309.87)
Repayment of lease liabilities		(1,021.70)	-
Net Cash flow generated from financing activities (C)		1,70,456.00	1,40,443.94
Net increase/(decrease) in cash and cash equivalents (A+B+C)		19,056.40	(19,845.72)
Cash and cash equivalents as at the beginning of the year		16,002.99	35,848.71
Cash and cash equivalents at the end of the year	2	35,059.39	16,002.99

Consolidated Cash flow statement for the year ended March 31, 2020

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Components of cash and cash equivalents			
Cash on hand		43.71	202.00
Balance in franking machine*		0.95	0.95
Balance with banks			
In current accounts		36.99	3,909.16
In cash credit		2.74	645.06
In deposit account		34,975.00	11,245.82
Total cash and cash equivalents	2	35,059.39	16,002.99
Operational Cash Flow from Interest			
Interest Received		75,657.63	55,936.64
Interest Paid		(30,189.46)	(21,524.00)
Summary of significant accounting policies	1		

* The Group can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:-

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 "Cash Flow Statement".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411
Place: Mumbai

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

Manas Tandon
(Non-executive Promoter Nominee Director)
Place: Mumbai

Sushil Kumar Agarwal
(Managing Director and CEO)
Place: Jaipur

Ghanshyam Rawat
(Chief Financial Officer)

Sharad Pathak
(Company Secretary &
Compliance Officer)

Date: May 14, 2020

Place: Jaipur

Place: Jaipur

STANDALONE - FINANCIAL YEAR 2018-19

Standalone Balance Sheet as at March 31, 2019

(₹ in lakh)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	2	15,900.22	35,848.71	20,800.13
Bank balance other than cash and cash equivalents	2	51,948.01	20,047.40	710.00
Derivative financial instruments	3	87.80	-	-
Loans	4	4,72,449.00	3,33,341.82	2,20,941.72
Investments	5	450.00	450.00	-
Other financial assets	6	10,359.12	10,881.00	6,791.79
Non-financial assets				
Current tax assets (net)		1,707.41	-	-
Property, plant and equipment	7(a)	1,922.97	1,545.44	809.24
Intangible assets under development	7(b)	9.08	3.27	13.53
Other intangible assets	7(c)	359.12	297.08	147.07
Other non-financial assets	8	434.01	385.18	87.70
Assets held for sale	9	988.79	609.75	549.94
TOTAL		5,62,682.79	4,04,010.31	2,56,978.32
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	3	-	101.74	210.90
Payables	10			
(i) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		949.25	912.91	758.95
Debt securities	11	43,705.08	38,819.83	33,444.32
Borrowings (other than debt securities)	12	3,11,001.71	2,24,988.15	1,50,150.01
Subordinated liabilities	13	9,958.30	9,948.04	2,973.50
Other financial liabilities	14	7,103.18	7,993.07	5,930.10
Non-financial liabilities				
Current tax liabilities (net)		-	51.05	10.53
Provisions	15	443.05	318.53	195.78
Deferred tax liabilities (net)	16	4,274.93	1,135.24	1,528.17
Other non-financial liabilities	17	831.30	690.14	399.13
Equity				
Equity share capital	18	7,810.79	6,917.28	5,810.30
Other equity	19	1,75,885.14	1,12,073.13	55,530.51
TOTAL		5,62,682.79	4,04,010.31	2,56,978.32
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049VV/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Manas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sharad Pathak
(Company Secretary
& Compliance Officer)

Standalone Statement of profit and loss for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	20	59,354.82	39,201.15
Fees and commission income	21	2,002.73	1,921.58
Net gain on derecognition of financial instruments under amortised cost category		7,828.01	6,010.73
Net gain on fair value changes	22	1,211.42	2,154.45
Total revenue from operations		70,996.98	49,353.91
Other income	23	100.27	90.58
Total income		71,097.25	49,444.49
Expenses			
Finance costs	24	25,530.71	19,308.70
Fees and commission expense	25	492.20	384.94
Impairment on financial instruments	26	889.77	258.87
Employee benefits expense	27	11,723.54	11,154.21
Depreciation, amortization and impairment	7(a) & 7(c)	972.34	502.00
Other expenses	28	5,713.47	4,344.52
Total expenses		45,328.03	36,013.96
Profit/(loss) before tax		25,769.22	13,430.53
Tax expense:	10		
(1) Current tax		5,038.29	4,517.89
(2) Deferred tax		3,139.70	(390.09)
Profit/(loss) for the year		17,591.23	9,309.33
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	27	35.07	10.83
Income tax effect	10	(12.25)	(3.75)
b) Items that will be reclassified to profit or loss		-	-
Other comprehensive income, net of income tax		22.82	7.08
Total comprehensive income for the year		17,614.05	9,316.41
Earnings per equity share	29		
Basic (₹)		23.05	15.90
Diluted (₹)		23.08	15.24
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Menas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sherad Pathak
(Company Secretary
& Compliance Officer)

Standalone Cash flow statement for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		25,769.22	13,430.53
Adjustments for			
Depreciation and amortisation	7(a), 7(c)	972.34	562.66
Expenses incurred on increase in authorised capital and issue of shares		-	19.00
Provision for expected credit loss (ECL)		563.25	76.35
Provision for employee benefits		155.11	120.14
Derivative mark to market gain		(28.97)	(55.22)
Provision for CSR expenditure		44.79	35.95
Share based payments		686.02	4,205.12
Operating profit before working capital changes		28,161.76	18,394.53
Changes in working capital			
Increase in financial and other assets		(1,48,151.39)	(1,09,812.46)
Decrease in financial and other liabilities		(808.29)	2,311.56
Total of changes in working capital		(1,48,959.68)	(1,07,500.90)
Direct taxes paid		(6,809.60)	(4,184.64)
Net cash flow used in operating activities (A)		(1,27,607.52)	(93,291.01)
B Cash flow from investing activities:			
Inflow (outflow) on account of:			
Investment in Subsidiary company	5	-	(450.00)
Investment in fixed deposits		(31,301.20)	(19,930.80)
Purchase of Property, plant and equipment (including capital work-in-progress)/ Intangible assets	7	(1,427.34)	(1,378.17)
Sale of Property, plant and equipment (including capital work-in-progress)		9.62	0.17
Net cash flow used in investing activities (B)		(32,718.92)	(21,758.80)
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		47,513.36	44,117.35
Share / debenture issue expenses		(1,292.90)	(318.34)
Proceeds from borrowings		1,46,533.36	1,27,673.45
Repayment of borrowings		(52,309.87)	(47,434.07)
Net Cash flow from financing activities (C)		1,40,443.95	1,24,038.39
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(19,882.49)	8,988.58

Standalone Cash flow statement for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents as at the beginning of the year		35,848.71	26,860.13
Cash and cash equivalents at the end of the year	2	15,966.22	35,848.71
Components of cash and cash equivalents			
Cash on hand		202.00	190.75
Balance in franking machine*		0.95	0.95
Balance with banks			
In current accounts		3,872.39	13,657.01
In cash credit		645.06	500.00
In deposit account		11,245.82	21,500.00
Total cash and cash equivalents	2	15,966.22	35,848.71
Operational Cash Flow from Interest			
Interest Received		55,936.64	38,286.67
Interest Paid		(21,524.00)	(18,631.90)
Summary of significant accounting policies	1		

* The Company can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:-

1. Cash flow statement has been prepared under indirect method as set out in the IND AS 7 'Cash Flow Statement'.
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Manas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sherad Pathak
(Company Secretary
& Compliance Officer)

CONSOLIDATED - FINANCIAL YEAR 2018-19

Consolidated Balance Sheet as at March 31, 2019

(₹ in lakh)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
ASSETS				
Financial assets				
Cash and cash equivalents	2	15,900.22	35,848.71	20,800.13
Bank balance other than cash and cash equivalents	2	52,415.38	21,097.40	710.00
Derivative financial instruments	3	87.80	-	-
Loans	4	4,72,449.00	3,33,341.81	2,20,941.72
Other financial assets	5	10,348.94	10,870.03	0,791.79
Non-financial assets				
Current tax assets (net)		1,707.73	0.27	-
Property, plant and equipment	6(a)	1,922.97	1,545.44	809.24
Intangible assets under development	6(b)	9.08	3.27	13.53
Other intangible assets	6(c)	359.12	297.08	147.07
Other non-financial assets	7	434.92	385.18	87.70
Assets held for sale	8	988.79	009.75	549.94
TOTAL		5,62,690.01	4,04,005.54	2,56,978.32
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivative financial instruments	3	-	101.74	210.90
Payables	9			
(i) Trade payables				
(ii) total outstanding dues of micro enterprises and small enterprises		-	-	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		950.24	913.91	758.95
Debt securities	10	43,705.08	38,819.83	33,444.32
Borrowings (other than debt securities)	11	3,11,001.72	2,24,988.15	1,50,150.01
Subordinated liabilities	12	9,958.30	9,948.04	2,973.50
Other financial liabilities	13	7,103.18	7,993.07	5,930.10
Non-financial liabilities				
Current tax liabilities (net)		-	51.05	10.53
Provisions	14	443.05	318.53	195.78
Deferred tax liabilities (net)	15	4,274.93	1,135.24	1,528.17
Other non-financial liabilities	16	831.50	090.14	399.13
Equity				
Equity share capital	17	7,810.79	6,917.29	5,810.30
Other equity	18	1,75,891.22	1,12,007.35	55,530.51
TOTAL		5,62,690.01	4,04,005.54	2,56,978.32
Summary of significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Manas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sherad Pathak
(Company Secretary
& Compliance Officer)

Consolidated Statement of profit and loss for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Interest income	19	59,374.89	39,203.81
Fees and commission income	20	2,602.73	1,921.58
Net gain on derecognition of financial instruments under amortised cost category		7,828.01	0,010.73
Net gain on fair value changes	21	1,211.42	2,154.45
Total revenue from operations		71,017.05	49,356.57
Other income	22	100.27	90.58
Total income		71,117.32	49,447.15
Expenses			
Finance costs	23	20,530.71	19,308.70
Fees and commission expense	24	492.20	384.94
Impairment on financial instruments	25	889.77	258.87
Employee benefits expense	26	11,723.54	11,154.21
Depreciation, amortization and impairment	0(a) & 0(c)	972.34	502.00
Other expenses	27	5,717.79	4,352.95
Total expenses		45,332.35	36,022.39
Profit/(loss) before tax		25,784.97	13,424.76
Tax expense:	15		
(1) Current tax		5,042.18	4,517.89
(2) Deferred tax		3,139.70	(390.09)
Profit/(loss) for the year		17,603.09	9,303.56
Other comprehensive income			
a) Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit liability	26	35.07	10.83
Income tax effect	15	(12.25)	(3.75)
b) Items that will be reclassified to profit or loss			
Other comprehensive income, net of income tax		22.82	7.08
Total comprehensive income for the year		17,625.91	9,310.64
Earnings per equity share	28		
Basic (₹)		23.00	15.89
Diluted (₹)		23.10	15.23
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049VV/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Manas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sharad Pathak
(Company Secretary
& Compliance Officer)

Consolidated Cash flow statement for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A Cash flow from operating activities:			
Net profit before tax as per statement of profit and loss		25,784.97	13,424.76
Adjustments for			
Depreciation and amortisation	6(a), 6(c)	972.34	562.66
Expenses incurred on increase in authorised capital and issue of shares		-	19.00
Provision for expected credit loss (ECL)		563.25	76.35
Provision for employee benefits		155.11	120.14
Derivative mark to market gain		(28.97)	(55.22)
Provision for CSR expenditure		44.79	35.95
Share based payments		686.02	4,205.12
Operating profit before working capital changes		28,177.51	18,388.76
Changes in working capital			
Increase in financial and other assets		(1,48,148.55)	(1,09,815.12)
Decrease in financial and other liabilities		(808.16)	2,319.99
Total of changes in working capital		(1,48,956.71)	(1,07,495.13)
Direct taxes paid		(6,811.54)	(4,184.64)
Net cash flow used in operating activities (A)		(1,27,590.74)	(93,291.01)
B Cash flow from investing activities:			
Inflow (outflow) on account of :			
Investment in fixed deposits		(31,317.97)	(20,380.80)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	6	(1,427.34)	(1,378.17)
Sale of Property, plant and equipment (including capital work-in-progress)		9.62	0.17
Net cash flow used in investing activities (B)		(32,735.69)	(21,758.80)
C Cash flow from financing activities:			
Issue of equity shares (including share premium)		47,513.35	44,117.35
Share / debenture issue expenses		(1,292.90)	(318.34)
Proceeds from borrowings		1,46,533.36	1,27,673.45
Repayment of borrowings		(52,309.87)	(47,434.07)
Net Cash flow from financing activities (C)		1,40,443.94	1,24,038.39

Consolidated Cash flow statement for the year ended March 31, 2019

(₹ in lakh)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(19,882.49)	8,988.58
Cash and cash equivalents as at the beginning of the year		35,848.71	26,860.13
Cash and cash equivalents at the end of the year	2	15,966.22	35,848.71
Components of cash and cash equivalents			
Cash on hand		202.00	190.75
Balance in franking machine*		0.95	0.95
Balance with banks			
In current accounts		3,872.39	13,657.01
In cash credit		645.06	500.00
In deposit account		11,245.82	21,500.00
Total cash and cash equivalents	2	15,966.22	35,848.71
Operational Cash Flow from Interest			
Interest Received		55,936.64	38,286.67
Interest Paid		(21,524.00)	(18,631.90)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Botliboi & Associates LLP
ICAI Firm Registration No. 101049VV/E300004
Chartered Accountants

per Sarvesh Warty
Partner
Membership No. 121411

Place: Jaipur
Date: May 03, 2019

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

Manas Tandon
(Nominee Director)

Ghanshyam Rawat
(Chief Financial Officer)

Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sharad Pathak
(Company Secretary
& Compliance Officer)

STANDALONE - FINANCIAL YEAR 2017-18

Standalone Balance Sheet as at March 31, 2018

(₹ in lakh)

	Notes	As at March 31, 2018	As at March 31, 2017
I. Equity and liabilities			
1. Shareholders' funds			
a) Share capital	2.1	6,917.28	5,816.36
b) Reserves & surplus	2.2	1,02,905.82	50,816.31
c) Money received against Share Warrants	2.3	24.00	-
		1,09,847.10	56,632.67
2. Non-current liabilities			
a) Long term borrowings	2.4	2,23,248.10	1,50,968.50
b) Deferred tax liabilities (net)	2.5	1,175.88	616.78
c) Other long term liabilities	2.6	25.60	11.75
d) Long term provisions	2.7	1,480.76	1,371.72
		2,25,930.34	1,52,968.75
3. Current liabilities			
a) Short term borrowings	2.8	3,251.30	7,903.48
b) Other current liabilities	2.9	42,600.47	27,493.52
c) Short term provisions	2.10	115.89	68.12
		45,967.66	35,465.12
TOTAL		3,81,745.10	2,45,066.54
II. Assets			
1. Non-current assets			
a) Fixed assets	2.11		
i) Property, plant and equipment		1,545.45	869.25
ii) Intangible assets		297.07	147.67
iii) Intangible assets under development		3.27	13.53
b) Non current investment	2.12	1,379.07	75.40
c) Long term loans and advances	2.13		
i) Loans	2.13.1	3,06,795.99	2,05,946.02
ii) Others	2.13.2	149.80	87.89
		3,10,170.65	2,07,139.76
2. Current assets			
a) Current Investment	2.12	26.60	2.56
b) Cash & bank balances	2.14	56,496.11	27,576.73
c) Short term loans and advances	2.13		
i) Loans	2.13.1	10,440.41	7,335.47
ii) Others	2.13.2	302.30	100.29
d) Other current assets	2.15	4,309.03	2,911.73
		71,574.45	37,926.78
TOTAL		3,81,745.10	2,45,066.54
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

Place: Mumbai
Date: April 27, 2018

Place: Jaipur
Date: April 27, 2018

Statement of Standalone profit and loss for the year ended March 31, 2018

(₹ in lakh)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	2.16	45,633.89	30,512.85
Other income	2.17	90.55	36.43
Total Revenue (I)		45,724.44	30,549.28
Expenses			
Employee benefit expenses	2.18	7,335.92	4,305.33
Finance cost	2.19	18,905.33	14,282.03
Depreciation and amortization expenses	2.11	562.65	276.99
Other expenses	2.20	4,554.85	2,151.79
Provisions and write offs	2.21	190.41	667.86
Total expenses (II)		31,549.16	21,684.00
Profit before tax (III) = (I)-(II)		14,175.28	8,865.28
Tax expenses:			
Current tax	2.22	4,322.94	2,654.08
Deferred tax	2.22	559.09	426.03
Total tax expenses (IV)		4,882.03	3,080.11
Profit after tax (III)-(IV)		9,293.25	5,785.17
Earnings per equity share	2.23		
Basic (₹)		15.87	11.24
Diluted (₹)		15.21	11.24
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

Place: Mumbai
Date: April 27, 2018

Place: Jaipur
Date: April 27, 2018

Standalone Cash Flow statement for the year ended March 31, 2018

(₹ in lakh)

	Year ended March 31, 2018	Year ended March 31, 2017
A Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	14,175.28	8,865.28
Adjustments for		
Depreciation and amortization	562.65	276.99
Expenses incurred on increase in authorized capital and issue of shares	19.00	23.77
Provision for standard and NPA assets	12.37	381.67
Provision for employee benefits	109.31	59.22
Operating profit before working capital changes	14,878.61	9,606.93
Changes in working capital		
Decrease/(increase) in Long term loans and advances	(1,00,911.88)	(65,818.01)
Decrease/(increase) in Short term loans and advances	(3,306.96)	(2,019.90)
Decrease/(increase) in Other current assets	(1,397.29)	(1,519.80)
(Decrease)/increase in Other long term liabilities	13.85	4.01
(Decrease)/increase in Other current liabilities	2,494.99	3,148.57
	(1,03,107.29)	(66,205.13)
Direct taxes paid	(4,184.64)	(2,466.67)
Net cash flow from / (used in) operating activities (A)	(92,413.32)	(59,064.87)
B Cash flow from investing activities:		
Inflow (outflow) on account of :		
Investment in Subsidiary company	(450.00)	
Investment in Pass through certificate (PTC)	(547.40)	(77.96)
Investment in Security receipts	(330.30)	
Investment in fixed deposits	(19,930.80)	(716.60)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(1,378.17)	(743.32)
Sale of Property, plant and equipment (including capital work-in-progress)	0.17	0.09
Net cash flow from / (used in) investing activities (B)	(22,636.50)	(1,537.79)
C Cash flow from financing activities:		
Issue of equity shares (including share premium)	44,117.35	30,863.00
Share / debenture issue expenses	(318.34)	(520.45)
Proceeds from long term and short term borrowings	1,27,673.46	70,708.51
Repayment of long term and short term borrowings	(47,434.07)	(37,078.29)
Net Cash flow from / (used in) financing activities (C)	1,24,038.40	63,972.77
Net increase/(decrease) in cash and cash equivalents (A+B+C)	8,988.58	3,370.11

Standalone Cash flow statement for the year ended March 31, 2018

(₹ in lakh)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash and cash equivalents as at the beginning of the year	26,860.13	23,490.02
Cash and cash equivalents at the end of the year	35,848.71	26,860.13
Components of cash and cash equivalents		
Cash on hand	190.75	177.68
Balance with franking machine*	0.94	0.95
Balance with banks		
In current accounts	13,657.02	3,866.28
In cash credit	500.00	2,315.22
In deposit account	21,500.00	20,500.00
Total cash and cash equivalents (notes 2.14)	35,848.71	26,860.13
Summary of significant accounting policies	1.	

* The Company can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:-

1. Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".
2. Previous year figures have been regrouped/ reclassified wherever applicable.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

CONSOLIDATED - FINANCIAL YEAR 2017-18

Consolidated Balance Sheet as at March 31, 2018

(₹ in lakh)

	Notes	As at March 31, 2018
I. Equity and liabilities		
1. Shareholders' funds		
a) Share capital	2.1	6,917.28
b) Reserves & surplus	2.2	1,02,900.05
c) Money received against Share Warrants	2.3	24.00
		1,09,841.33
2. Non-current liabilities		
a) Long term borrowings	2.4	2,23,248.10
b) Deferred tax liabilities (net)	2.5	1,175.88
c) Other long term liabilities	2.6	25.60
d) Long term provisions	2.7	1,480.76
		2,25,930.34
3. Current liabilities		
a) Short term borrowings	2.8	3,251.30
b) Other current liabilities	2.9	42,601.47
c) Short term provisions	2.10	115.63
		45,968.40
TOTAL		3,81,740.07
II. Assets		
1. Non-current assets		
a) Fixed assets	2.11	
i) Property, plant and equipment		1,545.45
ii) Intangible assets		297.07
iii) Intangible assets under development		3.27
b) Non current Investment	2.12	929.07
c) Long term loans and advances	2.13	
i) Loans	2.13.1	3,06,795.99
ii) Others	2.13.2	149.80
		3,09,720.65
2. Current assets		
a) Current Investment	2.12	26.60
b) Cash & bank balances	2.14	56,946.11
c) Short term loans and advances	2.13	
i) Loans	2.13.1	10,440.41
ii) Others	2.13.2	294.87
d) Other current assets	2.15	4,311.43
		72,019.42
TOTAL		3,81,740.07
Summary of significant accounting policies	1	

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

Consolidated Statement of profit and loss for the year ended March 31, 2018

(₹ in lakh)

	Notes	Year ended March 31, 2018
Revenue		
Revenue from operations	2.16	45,636.55
Other income	2.17	90.55
Total Revenue (I)		45,727.10
Expenses		
Employee benefit expenses	2.18	7,335.92
Finance cost	2.19	18,905.33
Depreciation and amortization expenses	2.11	562.65
Other expenses	2.20	4,563.28
Provisions and write offs	2.21	190.41
Total expenses (II)		31,557.59
Profit before tax (III) = (I)-(II)		14,169.51
Tax expenses:		
Current tax	2.22	4,322.94
Deferred tax	2.22	559.09
Total tax expenses (IV)		4,882.03
Profit after tax (III)-(IV)		9,287.48
Earnings per equity share	2.23	
Basic (₹)		15.86
Diluted (₹)		15.20
Nominal value per share (₹)		10.00
Summary of significant accounting policies	1	

The accompanying notes are an integral part of the Consolidated financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

Consolidated Cash flow statement for the year ended March 31, 2018

(₹ in lakh)

	Year ended March 31, 2018
A Cash flow from operating activities:	
Net profit before tax as per statement of consolidated profit and loss	14,169.51
Adjustments for:	
Depreciation and amortization	562.65
Expenses incurred on increase in authorized capital and issue of shares	19.00
Provision for standard and NPA assets	12.37
Provision for employee benefits	109.31
Operating profit before working capital changes	14,872.84
Changes in working capital	
Decrease/(increase) in Long term loans and advances	(1,00,911.88)
Decrease/(increase) in Short term loans and advances	(3,299.53)
Decrease/(increase) in Other current assets	(1,399.68)
(Decrease)/increase in Other long term liabilities	13.85
(Decrease)/increase in Other current liabilities	2,495.99
	(1,03,101.25)
Direct taxes paid	(4,184.91)
Net cash flow from / (used in) operating activities (A)	(92,413.32)
B Cash flow from investing activities:	
Inflow (outflow) on account of:	
Investment in Pass through certificate (PTC)	(547.40)
Investment in Security receipts	(330.30)
Investment in fixed deposits	(19,930.80)
Purchase of Property, plant and equipment (including capital work-in-progress)/ intangible assets	(1,378.17)
Sale of Property, plant and equipment (including capital work-in-progress)	0.17
Net cash flow from / (used in) investing activities (B)	(22,186.50)
C Cash flow from financing activities:	
Issue of equity shares (including share premium)	44,117.35
Share / debenture issue expenses	(318.34)
Proceeds from long term and short term borrowings	1,27,673.46
Repayment of long term and short term borrowings	(47,434.07)
Net Cash flow from / (used in) financing activities (C)	1,24,038.40
Net increase/(decrease) in cash and cash equivalents (A+B+C)	9,438.58
Cash and cash equivalents as at the beginning of the year	26,860.13

Consolidated Cash flow statement for the year ended March 31, 2018

(₹ in lakh)

	Year ended March 31, 2018
Cash and cash equivalents at the end of the year	36,298.71
Components of cash and cash equivalents	
Cash on hand	190.75
Balance with franking machine*	0.94
Balance with banks	
In current accounts	13,907.02
In cash credit	500.00
In deposit account	21,700.00
Total cash and cash equivalents (notes 2.14)	36,298.71
Summary of significant accounting policies	1

* The Company can utilize the balance towards stamping of loan agreements executed with their borrowers and also for the agreements executed by the Company for its own borrowings.

Note:-

Cash flow statement has been prepared under indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements".

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Sd/-
per Amit Kabra
Partner
Membership No. 094533

For and on behalf of the Board of Directors of
AAVAS FINANCIERS LIMITED
(Formerly known as "Au Housing Finance Limited")

Sd/-
Manas Tandon
(Nominee Director)

Sd/-
Sushil Kumar Agarwal
(Whole Time Director & CEO)

Sd/-
Ghanshyam Rawat
(Chief Financial Officer)

Sd/-
Sharad Pathak
(Company Secretary)

(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

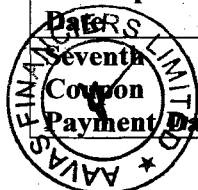
ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Company	Aavas Financiers Limited
Face Value per Debenture (Rs.)	10,00,000.00
Deemed Date of Allotment	December 31, 2020
Redemption Value per Debenture (Rs.)	10,00,000.00 in 20 equal quarterly instalments of 50,000.00 each
Schedule Redemption Dates	As mentioned in table below
Coupon Rate	6.63% per annum
Frequency of Coupon payment	Quarterly
Day Count Convention	Actual/Actual

Cash flow per Debenture

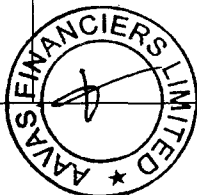
(in INR)

	Dates	Number of Days	Amount of Interest per Debenture	Amount of Principal Payment (per Debenture)	Total amount of Cumulative Payment
First Coupon Payment Date / Schedule Redemption Date	March 31, 2021	365	16347.95	50,000	66347.95
Second Coupon Payment Date / Schedule Redemption Date	June 30, 2021	365	15703.11	50,000	65703.11
Third Coupon Payment Date / Schedule Redemption Date	September 30, 2021	365	15040.11	50,000	65040.11
Fourth Coupon Payment Date / Schedule Redemption Date	December 31, 2021	366	14204.55	50,000	64204.55
Fifth Coupon Payment Date / Schedule Redemption Date	March 31, 2022	365	13078.36	50,000	63078.36
Sixth Coupon Payment Date / Schedule Redemption Date	June 30, 2022	365	12397.19	50,000	62397.19
Seventh Coupon Payment Date /	September 30, 2022	365	11697.86	50,000	61697.86



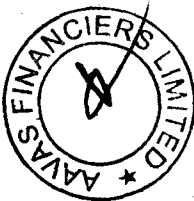
(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Schedule Redemption Date					
Eighth Coupon Payment Date / Schedule Redemption Date	December 31, 2022	366	10862.30	50,000	60862.30
Ninth Coupon Payment Date / Schedule Redemption Date	March 31, 2023	365	9808.77	50,000	59808.77
Tenth Coupon Payment Date / Schedule Redemption Date	June 30, 2023	365	9091.27	50,000	59091.27
Eleventh Coupon Payment Date / Schedule Redemption Date	September 30, 2023	365	8355.62	50,000	58355.62
Twelfth Coupon Payment Date / Schedule Redemption Date	December 31, 2023	366	7520.05	50,000	57520.05
Thirteenth Coupon Payment Date / Schedule Redemption Date	March 31, 2024	366	6593.77	50,000	56593.77
Fourteenth Coupon Payment Date / Schedule Redemption Date	June 30, 2024	366	5769.55	50,000	55769.55
Fifteenth Coupon Payment Date / Schedule Redemption Date	September 30, 2024	366	4999.67	50,000	54999.67
Sixteenth Coupon Payment Date / Schedule Redemption Date	December 31, 2024	366	4166.39	50,000	54166.39



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Seventeenth Coupon Payment Date / Schedule Redemption Date	March 31, 2025	365	3269.59	50,000	53269.59
Eighteenth Coupon Payment Date / Schedule Redemption Date	June 30, 2025	365	2479.44	50,000	52479.44
Nineteenth Coupon Payment Date / Schedule Redemption Date	September 30, 2025	365	1671.12	50,000	51671.12
Twentieth Coupon Payment Date / Final Scheduled Redemption Date	December 31, 2025	365	835.56	50,000	50835.56
		TOTAL	1,73,892.33	10,00,000	11,73,892.33



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ANNEXURE VII: DUE DILLIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE
[Attached Separately]



To

BSE Limited
Mumbai

Dear Sir / Madam,

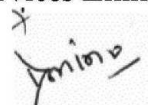
SUB.: ISSUE OF 100 (ONE HUNDRED) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 10,00,00,000/- (RUPEES TEN CRORES ONLY) WITH A GREEN SHOE OPTION OF UP TO 900 (NINE HUNDRED) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES HAVING A FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO RS. 90,00,00,000/- (RUPEES NINETY CRORES ONLY), IN A SINGLE SERIES ON A PRIVATE PLACEMENT BASIS BY AAVAS FINANCIERS LIMITED

We, the debenture trustee to the above mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that:
 - a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
 - b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
 - c) The Issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
 - d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.
 - e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum.
 - f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

For IDBI Trusteeship Services Limited



Authorised Signatory

PLACE: New Delhi
DATE: 28.12.2020