



AAVAS FINANCIERS LIMITED

CIN: L65922RJ2011PLC034297

Registered and Corporate Office: 201-202, 2nd Floor, South End Square,
Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India
Tel: +91 14 1661 8800 Fax: +91 14 1661 8861
E-mail: investorrelations@aavas.in | Website: www.aavas.in

NOTICE

NOTICE is hereby given that the **Ninth Annual General Meeting** of the Members of **Aavas Financiers Limited** will be held on Thursday, August 01, 2019 at 3:30 P.M. at Clarks Brij Convention Centre (CBCC), Hotel Clarks Amer, Jawahar Lal Nehru Marg, Near Jaipur Airport, Jaipur-302018 (Rajasthan) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

- (a) The audited financial statements of the Company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon; and
- (b) The audited consolidated financial statements for the financial year ended March 31, 2019 together with the report of the Auditors thereon.

2. To appoint a Director in place of Mr. Ramachandra Kasargod Kamath (DIN: 01715073), who retires by rotation and being eligible, offers himself for re-appointment as Director.
3. To appoint a Director in place of Mr. Vivek Vig (DIN: 01117418), who retires by rotation and being eligible, offers himself for re-appointment as Director.

SPECIAL BUSINESS

4. To approve alteration in Articles of Association of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules notified thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions,

sanctions as may be necessary, consent of the Members of the Company be and is hereby accorded for substitution of existing clause 16.11 (c) of the part 1 of Articles of Association ("Articles") of the Company with the following clause:

Clause 16.11 (c) of the Articles

Notwithstanding Clause 16.11 (b) above, on and from the date hereof and until such time that Lake District and ESCL continue to remain 'promoters' of the Company (i) Lake District shall have the right to nominate 3 (Three) Directors to the Board (collectively, the "Lake District Nominee Directors"); (ii) ESCL shall have the right to nominate 2 (Two) Directors to the Board (together, the "ESCL Nominee Directors"); and (iii) the Chief Executive Officer of the Company may be appointed and hold office as Managing Director or Whole Time Director of the Company or with such other designation as the Board or Shareholders may decide in accordance with the provisions of the Act. 3 (Three) independent Directors shall be appointed to the Board in accordance with Applicable Laws (the "Independent Directors").

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard."

5. To approve change in designation of Mr. Sushil Kumar Agarwal from 'Whole Time Director and Chief Executive Officer' to 'Managing Director and Chief Executive Officer' of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by the National Housing Bank ("NHB"), as recommended by Nomination and Remuneration Committee and Board of Directors of the Company and subject to such other approvals as may be necessary, consent of Members of the Company be and is hereby accorded to change the designation of Mr. Sushil Kumar Agarwal (DIN: 03154532) to **Managing Director and Chief Executive Officer ("MD and CEO") of the Company** from Whole Time Director and Chief Executive Officer ("WTD and CEO"), with effect from May 03, 2019 till the expiry of his current term i.e. upto January 09, 2024.

RESOLVED FURTHER THAT the Existing terms and conditions of appointment including remuneration of Mr. Sushil Kumar Agarwal as Whole Time Director and Chief Executive Officer, which have been approved by the Members of the Company by means of Postal Ballot on December 30, 2018 and which are further reproduced hereunder for reference of Members, will continue to be the same or remain unchanged except his designation to MD and CEO of the Company.

The Broad terms and conditions including remuneration for appointment of Mr. Sushil Kumar Agarwal as Managing Director and Chief Executive Officer ("MD" and "CEO") are as following:

1. Fixed Remuneration:

- (a) Mr. Sushil Kumar Agarwal, from May 03, 2019, shall be entitled to a fixed remuneration upto a maximum of ₹2,40,00,000/- (Rupees Two crore and forty lakh only) per annum ("Fixed Remuneration Limit").

- (b) The Board of Directors of the Company ("Board") on the basis of recommendation of Nomination and Remuneration Committee of the Company ("NR Committee") shall have the authority to grant such increments to Mr. Sushil Kumar Agarwal and/or revise the Salary and/or its components thereof, from time to time during the term of his employment, provided such increment and/or revision is carried out within the Fixed Remuneration Limit and subject to the provisions of Section 197, 198 of the Act read with Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). For the purpose of this clause, the term "Salary" shall mean and include: (i) basic salary payable to Mr. Sushil Kumar Agarwal; (ii) Company's contribution to provident fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; and (iii) Company's contribution to gratuity fund as per provisions of the Payment of Gratuity Act, 1972.

2. Perquisites and Allowances

- (a) Mr. Sushil Kumar Agarwal shall, in addition to the Fixed Remuneration, be eligible for perquisites and allowances as per the policies of the Company, amended from time to time ("Perquisites") provided such perquisites and allowances does not exceed the overall ceiling prescribed under Section 197 of the Act read with Schedule V to the Act (including any statutory modification or re-enactment thereof) ("Perquisites Ceiling").
- (b) In addition to the Perquisites, Mr. Sushil Kumar Agarwal shall also be entitled to the following benefits, which shall not be included while computing the aforementioned Perquisites Ceiling:
- Contribution to provident fund, superannuation or annuity fund which are not taxable under the provisions of the Income Tax Act, 1961;
 - Gratuity payable which shall not exceed half of one month's basic salary of the Director for each completed year of service as per the rules and policies of the Company.
 - Leave and leave encashment as per the rules of the Company.

3. Performance Linked Bonus

- (a) In addition to Total Fixed Remuneration, Mr. Sushil Kumar Agarwal shall also be entitled to

performance linked bonus of such amount as may be recommended by the NR Committee and approved by the Board for each Financial Year or part thereof, within the overall limits as specified under Section 197 of the Act read with Schedule V to the Act (including any statutory modification or re-enactment thereof) and other applicable provisions (if any) of the Act, after taking into consideration various criteria, including the performance of Mr. Sushil Kumar Agarwal and the performance of the Company ("Performance Linked Bonus").

- (b) The total Performance Linked Bonus of a financial year shall not exceed 100% of the Total Fixed Remuneration of such financial year.
- (c) For the purpose of this clause, the term "Total Fixed Remuneration" shall mean the aggregate of and shall include, during a financial year: (a) all fixed components (including Salary) of Mr. Sushil Kumar Agarwal's remuneration; and (b) value of all allowances and perquisites payable by the Company to Mr. Sushil Kumar Agarwal as per Company's policy in force from time to time. It is hereby clarified that the Total Fixed Remuneration shall not include Performance Linked Bonus.

4. Other Terms and Conditions

- (a) Mr. Sushil Kumar Agarwal shall discharge his duties as MD and CEO, assigned to him from time to time or vested upon him by the Articles of Association of the Company, Board of the Company and/or under the Act, in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (b) Mr. Sushil Kumar Agarwal may be granted stock options as per ESOP Schemes of the Company.
- (c) Mr. Sushil Kumar Agarwal shall not be liable to retire by rotation as per the provisions of the Act.
- (d) If, in any financial year, the Company has no profits or its profits are inadequate, then the foregoing remuneration and other benefits payable to Mr. Sushil Kumar Agarwal shall be paid by the Company in accordance with the provisions of Schedule V of the Act.
- (e) Mr. Sushil Kumar Agarwal shall be entitled to receive from the Company, reimbursement for

expenses which are genuinely and actually incurred by him in efficient discharge of his duties and which are wholly, necessarily and exclusively incurred for or in connection with the Business and affairs of the Company.

- (f) Mr. Sushil Kumar Agarwal shall be entitled to resign from the office of MD and CEO of the Company at any time by providing prior written notice of 6 (six) months along with the reasons of such resignation, to the Company. Similarly, the Company may terminate the employment of the Director with the Company at any time by providing prior written notice of 6 (six) months to the Director.

RESOLVED FURTHER THAT the Board of Directors of the Company reserves the right to alter, vary or modify, from time to time, the provisions and terms relating to the foregoing remuneration and other benefits granted to Mr. Sushil Kumar Agarwal, as the Board deems fit, within the limits mentioned above and subject to limits prescribed for yearly remuneration payable to managerial personnel under Section 197 read with Schedule V to the Act.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

6. To approve increase in the borrowing powers in excess of Paid-up Share Capital , Free Reserve and Securities Premium of the Company under section 180(1)(c) of the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolution(s) passed in this regard and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the applicable directions/guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and the relevant provisions of the Articles of Association of the Company and all other applicable rules, laws and acts (if any) and

subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "the Board" which term shall be deemed to include Executive Committee thereof, which the Board have constituted/reconstituted or hereinafter constitute/ reconstitute to exercise its powers including the powers conferred by this resolution) for borrowing from time to time as they may think fit, any sum or sums of money not exceeding ₹10,000 crore (Rupees Ten thousand crore only) (including the money already borrowed by the Company) in Indian Rupees or in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties including stock in trade (receivables), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining undischarged at any given time, exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, and securities premium provided that the total borrowing limit shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010 issued by NHB.

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding ₹10,000 crore (Rupees Ten thousand crore only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate (including the monies already borrowed by the Company) and on such terms and conditions as the Board may deem fit, by way of loans or in any other form whatsoever, or issue of Bonds and/or Debentures or other Securities or Term Loans, Cash Credit facilities or other facilities in form of debt in the nature of Debentures, Commercial Papers and the like to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc.,

whether Shareholder of the Company or not, provided that the total borrowing limit shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

7. To approve creation of charges on assets of the Company under section 180(1)(a) of the Companies Act, 2013 to secure borrowings made/to be made under section 180(1)(c) of the Companies Act, 2013

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India ("RBI") or National Housing Bank ("NHB") and relevant provisions of the Articles of Association of the Company, and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "the Board" which term shall be deemed to include Executive Committee thereof, which the Board have constituted/reconstituted or hereinafter constitute/ reconstitute to exercise its powers including the powers conferred by this resolution) to the creation of mortgage and/or charge (s) and/or hypothecate any of movable and / or immovable properties of the Company including receivables in the form of book debts, wherever situated both present and future or on whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s), on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit, to or in

favor of any bank(s) or body(ies) corporate or person(s), whether Shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding ₹10,000 crore (Rupees Ten thousand crore only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank exclusive/prior/pari-passu/subsequent with/to the hypothecation/mortgages and/or charges already created or to be created by the Company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

8. To approve issuance of Non-Convertible Debentures, in one or more tranches /issuances on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made there under, Housing Finance Companies Issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 as amended from time to time, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable SEBI regulations and guidelines, the provisions of Articles of Association of the Company and subject to such applicable laws, rules and regulations and guidelines, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Executive Committee thereof which the Board have constituted / reconstituted or hereinafter constitute/reconstitute to exercise its powers including the powers conferred by this Resolution) for making offers and/or invitations and / or issue, in one or more tranches, Non-convertible Debentures (NCDs) including

but not limited to subordinate debentures, bonds, and/or other debt securities etc. on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members in this Annual General Meeting, for amount not exceeding ₹3,000 crore (Rupees Three thousand crore only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board to such person(s) , including one or more company(ies), bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so for onward lending business of the Company and general corporate purposes and on the following terms:

- (i) The Company shall issue the Non-Convertible Debentures for deployment of funds on its own balance sheet, not to facilitate the resource requests of group entities/parent Company/associates of the Company.
- (ii) The Board shall have the sole discretion to deal with the unsubscribed portion of the Debenture Issue on such terms and conditions as it may deem fit.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as approved or may be approved by the Members of Company from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

9. To approve fixing of Commission payable to Non-Executive Directors of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Section 197, 198, and all other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made there under, the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Consent of the Members of the Company be and is hereby accorded to pay to its Directors (other than the Managing Director and Whole-time Director of the Company) ("the Non-Executive Directors") for a period of 5 years commencing from April 1, 2019 to March 31, 2024, such sum by way of commission as the Board of Directors may from time to time determine based on performance and guidelines framed by the Board of Directors for this purpose, provided however that the commission paid to such Directors in any financial year shall not exceed one percent of the net profits of the Company in terms of Section 197 of the Act, and computed in the manner referred to in Section 198 of the Act.

RESOLVED FURTHER THAT the aforesaid Commission to be paid to the Non-Executive Directors shall be in addition to the sitting fees being paid/payable for attending the meetings of the Board of Directors ("Board") of the Company and its Committees thereof, as may be decided by Board from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

10. To approve "Equity Stock Option Plan For Employees 2019" ("ESOP-2019") of Aavas Financiers Limited

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as per the provisions of Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as

may be necessary and subject to such conditions and modifications as may be prescribed while granting such approvals, permissions and sanctions, "Equity Stock Option Plan for Employees 2019" (hereinafter referred to as "ESOP-2019") of Aavas Financiers Limited be and is hereby approved for formulation and implementation, and the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorized to create, grant, offer, issue and allot, at any time, to the benefit of such person(s), who are permanent employees of the Company (present or future), options exercisable into not more than 3,00,000 (Three lakh) Equity Shares of ₹10/- each of the Company under the ESOP-2019, on such terms and conditions as may be fixed in accordance with applicable law.

RESOLVED FURTHER THAT each option would be exercised for one Equity Share of the face value of ₹10/- each fully paid-up on payment of the requisite exercise price to the Company, provided that in case the Equity Shares are either sub-divided or consolidated, then the number of shares to be allotted under the Scheme shall automatically be adjusted to ensure there is no change in the economic value for the option holder, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the ESOP-2019 and such Equity Shares shall rank Pari- Passu with all the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the number of Equity shares to be allotted under the ESOP-2019 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- per Equity Share bears to the revised face value of the Equity Shares consequent to any corporate action(s) such as Right Issue/ Bonus Issue/ Merger/ De-Merger/ Sub-Division/ Splitting etc. of Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the shares allotted under the Scheme on the Stock Exchanges.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

By Order of the Board of Directors
For Aavas Financiers Limited

Sharad Pathak
Company Secretary and Compliance Officer
(FCS-9587)

Jaipur, June 19, 2019
Registered and Corporate Office:
201-202, 2nd Floor, South End Square,
Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India
CIN: L65922RJ2011PLC034297
Tel: +91 14 1661 8800 Fax: +91 14 1661 8861
E-mail: investorrelations@aavas.in | Website: www.aavas.in

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“AGM”) MAY APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY TO BE VALID SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME FOR CONVENING THE MEETING. A PERSON SHALL ACT AS A PROXY FOR NOT MORE THAN FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% (TEN PERCENT) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. A COPY OF PROXY FORM FOR THE AGM IS ENCLOSED.
2. Members/proxies/authorised representatives are requested to bring their duly filled in attendance slips enclosed herewith to attend the meeting mentioning therein details of their DP and Client ID / Folio No.
3. Corporate Members intending to send their authorised representatives to attend and vote at the meeting are requested to send to the Company a certified copy of the Board resolution or upload it on the e-voting portal authorising their representative to vote on their behalf at the AGM.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The relevant details as required under the Regulation 36(3) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (‘SS-2’) in respect of appointment / re-appointment of Directors are furnished and forms part of this Notice as Annexure-I.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The explanatory statement pursuant to section 102 of the Companies Act, 2013 (“the Act”) in respect of Special businesses set out in Notice above is annexed hereto.
8. A Member’s voting rights shall be in proportion to his/her share of the paid up Equity Share Capital of the Company as on Friday, July 26, 2019 (‘cut-off date’).

A person whose name is recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the 'cut-off date only' shall be entitled to avail the facility of e-voting as well as voting in the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

9. The Notice of AGM will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the depositories as on Tuesday, June 25, 2019.
10. The Members vide resolution dated July 26, 2017 had appointed M/s. S. R. Batliboi & Associates LLP, chartered accountants (Firm Registration No: 101049W/E300004), as Statutory Auditors of the Company to hold office till the conclusion of the 12th Annual General Meeting of the Company to be held in the Calendar Year 2022, subject to ratification of such appointment by Members at every AGM. The requirement of ratification by Members at every AGM is omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, the Board has not recommended any ratification for the appointment of Statutory Auditors. However the Board has noted the confirmation received from M/s S.R. Batliboi & Associates LLP, Chartered Accountants, to the effect that their appointment is in compliance of Sections 139 and 141 of the Act and rules made thereunder.
11. The certificate from Statutory Auditors of the Company certifying that the Company's Employees Stock Option Schemes are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") and in accordance with the resolutions passed by the Members of the Company, will be available for inspection by the Members at the AGM.
12. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including annual reports from time to time in electronic form to the e-mail address provided by you. Members may send such communication to their respective Depository Participants (DPs).
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account

Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs.

14. Copies of the Annual Report-2018-19, Notice of the 9th AGM along with attendance slip and proxy form are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail IDs, physical copies of the aforesaid documents are being sent in the permitted mode.
15. Members may also note that the Notice of the 9th AGM and the Annual Report-2018-19 will also be available on the Company's website www.aavas.in and on the website of Link Intime India Private Limited ("LI IPL") at <https://instavote.linkintime.co.in> for their download. The physical copies of the aforesaid documents including the relevant documents referred to in the Notice and the explanatory statement will also be available for inspection at the Company's Registered Office between 11.00 A.M. to 1.00 P.M. on any working day (excluding Saturdays, Sundays and holidays) up to the date of AGM. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the Members may also send requests to the Company's e-mail id: investorrelations@aavas.in.
16. Members desirous of obtaining any information / clarification relating to the accounts are requested to submit their query in writing to the Company well in advance so as to enable the Management to keep the information ready.
17. Members can avail the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail this facility may contact their respective DPs for recording their Nomination.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are, therefore, requested to submit their PAN details to their DPs with whom they are maintaining their demat accounts.

19. The route map showing directions to reach the venue of the 9th AGM is annexed to this Notice as Annexure-II.

20. Voting through electronic means

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting facility provided by Link Intime India Private Limited ("LI IPL"), Registrar and Share Transfer Agent of the Company, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The e-voting facility will be available during the following period:

Commencement of e-voting: From Sunday, July 28, 2019 at 9:00 A.M. (IST)

End of e-voting: Upto Wednesday, July 31, 2019 at 5:00 P.M. (IST)

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by LI IPL upon expiry of aforesaid period.

iii. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of AGM Notice and holding shares as of the cut-off date, i.e. Friday, July 26, 2019, may refer to this Notice, posted on Company's website at www.aavas.in for detailed procedure with regard to e-voting. The Notice shall also be available at <https://instavote.linkintime.co.in>.

iv. The Board of Directors of the Company ("the Board") has appointed Mr. Manoj Maheshwari (Membership No. FCS 3355) Practicing Company Secretary and Partner of M/s V. M. & ASSOCIATES, as the Scrutinizer ("Scrutinizer") to scrutinize the voting at the AGM and e-voting process in a fair and transparent manner.

v. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by e-voting, may exercise their right to vote at the AGM.

vi. The Members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

vii. A Member can vote either by e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.

viii. The details of the process and manner for e-voting are explained herein below:

Instructions for casting vote electronically on the e-voting platform of Link Intime India Private Limited (LI IPL) – InstaVote:

Unit: Aavas Financiers Limited Event Number: 190074

• Log-in to e-Voting website of Link Intime India Private Limited ("LI IPL")

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form -
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat Shareholders as well as physical Shareholders). Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank A/C No.	Enter the Bank A/C No.as recorded in your demat account or in the Company records for the said demat account -. Please enter the DOB/ DOI or Dividend Bank A/C No. in order to register.

If Shareholders holding shares in Demat Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case Shareholder is having valid email address, Password will be sent to the Shareholders registered e-mail address. Else, Shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank A/C No. etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat Shareholders for voting on the resolutions placed by the Company in which they are a Shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- Cast your vote electronically-**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the Company, you choose to vote.

- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

- General Guidelines for Shareholders-**

- Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, Shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the Members have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

ITEM NO. 4

Members are to be informed that this Notice of AGM proposes Ordinary Resolution as set out at Item No. 5 of this Notice for the approval of the Members with respect to the change in designation of Mr. Sushil Kumar Agarwal (DIN: 03154532) to Managing Director and Chief Executive Officer ("MD and CEO") of the Company from Whole Time Director and Chief Executive Officer ("WTD and CEO").

In order to facilitate aforesaid change in designation of Mr. Agarwal, the Company considered and evaluated the need of amendment in the Articles of Association ("Articles") of the Company due to following facts:

The Existing provision of clause 16.11 (c) of Articles states that the **"Chief Executive Officer of the Company shall be appointed and hold office as a Whole Time Director"**.

Therefore the following clause is required to be amended for facilitating the change in designation of Mr. Agarwal and in this relation following amendment/substitution in Articles is proposed hereunder for approval of Members of the Company:

Clause 16.11 - Composition of the Board

Clause No.	Existing/Original Clause	Proposed/substituted Clause
16.11 (c)	Notwithstanding Clause 16.11 (b) above, on and from the date hereof and until such time that Lake District and ESCL continue to remain 'promoters' of the Company (i) Lake District shall have the right to nominate 3 (Three) Directors to the Board (collectively, the "Lake District Nominee Directors"); (ii) ESCL shall have the right to nominate 2 (Two) Directors to the Board (together, the "ESCL Nominee Directors"); and (iii) the Chief Executive Officer of the Company shall be appointed and hold office as a Whole Time Director. 3 (Three) independent Directors shall be appointed to the Board in accordance with Applicable Laws (the "Independent Directors").	Notwithstanding Clause 16.11 (b) above, on and from the date hereof and until such time that Lake District and ESCL continue to remain 'promoters' of the Company (i) Lake District shall have the right to nominate 3 (Three) Directors to the Board (collectively, the "Lake District Nominee Directors"); (ii) ESCL shall have the right to nominate 2 (Two) Directors to the Board (together, the "ESCL Nominee Directors"); and (iii) the Chief Executive Officer of the Company may be appointed and hold office as Managing Director or Whole Time Director of the Company or with such other designation as the Board or Shareholders may decide in accordance with the provisions of the Act. 3 (Three) independent Directors shall be appointed to the Board in accordance with Applicable Laws (the "Independent Directors").

Further, in terms of Section 14 of the Companies Act, 2013, approval of Members in General Meeting by way of Special Resolution is required to alter Articles of the Company.

The Board accordingly recommends the Special Resolution as set out at Item No. 4 of the Notice for the approval of the Members.

Copy of the existing Articles, copy of altered Articles indicating the proposed amendments and other allied documents, if any, being referred in this resolution would

be available for inspection by the Members as per details mentioned in note no. 15 to the accompanying notice of the Annual General Meeting.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Sushil Kumar Agarwal are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

ITEM NO. 5

The Members of the Company have vide ordinary resolution passed by means of Postal Ballot on December 30, 2018, re-appointed Mr. Sushil Kumar Agarwal as the Whole Time Director and Chief Executive Officer ("WTD" and "CEO") of the Company for a period of five years with effect from January 10, 2019 to January 09, 2024.

Under the leadership of Mr. Sushil Kumar Agarwal, the Company consistently made stellar performance over the period of time. He has strong business acumen, strategic intelligence and execution abilities and has been associated with the financial services industry for the past 18 years. He has been instrumental in various strategic growth initiatives, innovations including implementation of automated, digitized and other technology-enabled platforms and proprietary tools, to strengthen company's offerings and derive greater operational, cost and management efficiencies. Under his leadership, the Company has showed sizeable growth in terms of revenue, profitability and other benchmarks.

Company has delivered yet another strong financial performance in financial year 2018-19 in addition CARE Ratings Limited has upgraded the Company's long term credit rating to CARE AA- with Stable outlook.

On the recommendation of Nomination and Remuneration Committee, Board in its meeting held on May 03, 2019 has approved to change the designation of Mr. Sushil Kumar Agarwal (DIN: 03154532) to Managing Director and Chief Executive Officer ("MD and CEO") of the Company from Whole Time Director and Chief Executive Officer ("WTD and CEO"), with effect from May 03, 2019 till the expiry of his current term i.e. upto January 09, 2024.

It is proposed to seek the Member's approval in terms of the applicable provisions of the Companies Act, 2013 ("the Act") to change the designation of Mr. Sushil Kumar Agarwal as MD and CEO the Company.

Mr. Sushil Kumar Agarwal, age 42 years, is a qualified Chartered Accountant and had secured tenth rank in his final examination. Further, he is a qualified Company Secretary. He was previously associated with Au Small Finance Bank Limited as its Business Head – SME & Mortgages. Mr. Agarwal has previously also worked with ICICI Bank Limited as its chief manager and with Kotak Mahindra Primus Limited as an assistant manager. Mr. Sushil Kumar Agarwal has been associated with the Company since its incorporation in 2011.

It hereby further clarified that existing terms and conditions of appointment including remuneration of Mr. Sushil Kumar Agarwal as Whole Time Director and Chief Executive Officer, which have already been approved by the Members of the Company by means of Postal Ballot on December 30, 2018 and which are further reproduced in resolution set out at item no 5, for Member's reference, will continue to be the same or remain unchanged except change in his designation to MD and CEO of the Company.

The proposed agreement between the Company and Mr. Sushil Kumar Agarwal is available for inspection as per details mentioned in note no. 15 to the accompanying Notice of the Annual General Meeting.

Mr. Sushil Kumar Agarwal satisfies all the conditions set out in Part-I of Schedule V and Section 196 (3) of the Act for being eligible to be designated as Managing Director and Chief Executive Officer of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Sushil Kumar Agarwal are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for the approval of the Members.

ITEM NO. 6 & 7

The Board of Directors ("Board") of the Company envisages requirements of funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("Act"), the Board can borrow money subject to the condition that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up capital and free reserves, that is to say, reserves not set apart for any specific purpose and securities premium unless the Members have authorized the Board to borrow the monies up to some higher limits.

Further as per Paragraph 3(2) of "The Housing Finance Companies (NHB) Directions, 2010" No housing finance

company can have its total Borrowing limit in aggregate, in excess of sixteen times of its Net Owned Fund (NOF).

Hence, it is proposed to empower and authorize the Board of Directors of the Company to borrow money from any Bank(s), Financial Institutions (FIs.), Foreign Institutional Investors (FIIs), Bodies Corporate or Business Associates or any other person/s or entity/ies etc., in excess of paid up capital and free reserves and securities premium of the Company by a sum not exceeding ₹10,000 crore (Rupees Ten thousand crore only) for the purposes of business activities of the Company, provided that the total borrowing limit shall always be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

The resolution as set out at item no. 6 of the Notice is placed for your approval by way of special resolution of the aforesaid limits of borrowing by the Board upto an amount not exceeding ₹10,000 crore (Rupees Ten thousand crore only) or equivalent thereof in any foreign currency(ies).

With a view to meet fund requirements for the aforesaid purpose, the Company would be required to borrow funds from time to time by way of loans or in any other form whatsoever including but not limited to issue of bonds, debentures or other securities.

The said borrowings/ issue of securities may be required to be secured by way of mortgage / charge over all or any part of the movable and / or immovable properties of the Company and as per the provisions of Section 180 (1) (a) of the Act, the mortgage or charge on all or any part of the movable and /or immovable properties of the Company, may be deemed as disposal of the whole, or substantially the whole, of the undertaking of the Company and hence the approval of the Members of the Company is required by way of an Special Resolution as set out at item no. 7 of the Notice.

As per Section 180(1)(a) and 180(1)(c) and other applicable provisions of the Act, approval of the Members is being sought by way of passing Special Resolution. Hence, the Board of Directors recommends passing of the enabling Special Resolutions set out at item No. 6 and 7 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 6 and 7 of the accompanying Notice.

ITEM NO. 8

Your Company has been issuing debentures, which may be referred to as one of the option for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, 2013 ("the Act"), SEBI (Issue and Listing of Debt Securities) Regulation 2008, Debt Listing Agreement and Guidelines as issued by National Housing Board etc. Accordingly, the Company, subject to the approval of Members, proposes to issue Non-convertible Debentures to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Board. The amount to be raised by way of issue of Non-convertible Debentures on a private placement basis however shall not exceed ₹3,000 crore (Rupees Three thousand crore only) in aggregate. The aforesaid borrowings are within overall borrowing limits authorized by Members. It may be noted that that as per Rule 14 of Companies (Prospectus and Allotment of Securities) Second amendment Rules, 2018 read with Section 42 of the Act, allows a company to pass a previous special resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches. Therefore Consent of the Members is accordingly sought in connection with the aforesaid issue of debentures/ bonds from time to time and they are requested to authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures on private placement basis of ₹3,000 crore (Rupees Three thousand crore) as stipulated above, in one or more tranches, during the period of one year from the date of passing of the Resolution set out at Item No. 8 of this Notice, within the overall borrowing limits of the Company, as approved by the Members from time to time.

The Board accordingly recommends the Special Resolution as set out at Item No. 8 of the Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Sushil Kumar Agarwal are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

ITEM NO. 9

The Members of the Company had at the AGM held on July 11, 2015, accorded their consent for payment of commission to the Non-Executive Directors of the Company not exceeding 1 per cent of the net profits of the Company in any financial year (computed in the manner provided in Sections 197 and 198 of the Companies Act, 2013 ("the Act"), for each of five years commencing from August 29, 2014. The validity of the aforesaid resolution passed by the Members would expire on August 28, 2019.

In accordance with Section 197 of the Act, the remuneration payable to Directors who are neither Managing Directors nor Whole Time Directors shall not exceed

- i) One percent (1%) of the net profits of the Company, if there is a Managing Director or Whole-time Director or Manager;
- ii) Three percent (3%) of the net profits in any other case.

Further Regulation 17 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations) provides that the Board of Directors ("Board") shall recommend all fees or compensation, if any, paid to Non-Executive Directors, and shall require approval of Members in general meeting.

The Non-Executive Directors are persons of eminence and bring a wide range of expertise and rich experience to the Board across a wide spectrum of functional areas such as marketing, technology, corporate strategy, and finance. Further under the Act and SEBI LODR Regulations, the role, responsibilities and legal liability of the Members of Board have substantially increased requiring them not only use intensive skills but also devote considerable time in the process or orderly conduct of various affairs of the Company.

The Board is of the view that it is necessary that adequate compensation be given to the Non-Executive Directors so as to compensate them for their time and efforts. The quantum of commission payable per annum as a whole to Non-Executive Directors and individually to each Director would be determined and recommended by the Nomination and Remuneration Committee and approved by the Board. The quantum of commission payable would, inter alia, depend on performance and guidelines framed by the Board for this purpose, provided however that the commission paid to such Directors in any financial year shall not exceed one percent of the net profits of the Company in terms of Section 197 of the Act, and computed in the manner referred to in Section 198 of the Act.

In this regard consent of the Members is sought for renewal of the resolution for a further period of 5 years commencing from April 01, 2019, for payment of commission not exceeding one per cent of the net profits of the Company calculated in accordance with the provisions of the Act, to be paid and distributed amongst the Non-Executive Directors of the Company.

It is hereby clarified that the payment of aforesaid Commission will be in addition to the sitting fees payable to the Non-Executive Directors for attending Board/Committee Meetings, as may be decided by the Nomination and Remuneration Committee/Board, from time to time, in accordance with the applicable provisions of the Act.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except all Non-Executive Directors of the Company are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends resolution set out at Item No. 9 for your consideration and approval by way of Ordinary Resolution.

ITEM NO. 10

The Company intends to formulate and implement "Equity Stock Option Plan for Employees 2019" ("ESOP-2019") of Aavas Financiers Limited.

The principle object of ESOP-2019 is to promote the culture of employee ownership and to attract, retain, motivate senior management as well as critical talent of the Company and to give them opportunity to participate and gain from the Company's performance, thereby, acting as a retention tool as well as to align the efforts of such talent towards long term value creation in the organization. Under the ESOP-2019, options are proposed to be issued to employees fulfilling the criteria; each stock option would give right to the option holder to subscribe one Equity Share.

The Members are informed that the Company intends to offer not more than 3,00,000 (Three lakh) Equity Shares of face value ₹10 each of the Company under the ESOP-2019 by way of grant of Options which will be granted directly by the Company. The Plan will be administered by the Nomination and Remuneration Committee of Board of Directors ("Board").

ESOP-2019 has been prepared and formulated in compliance with provisions of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

Particulars of disclosures as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and SEBI ESOP Regulations are given below:

a) Total number of Options to be granted

1. A total of 3,00,000(Three lakh) options would be available for grant to the eligible employees of the Company under the ESOP-2019.
2. Each option when exercised would give the option holder a right to get one fully paid Equity Share of the Company.
3. In cases where options, whether vested or unvested, lapse or expire or are forfeited for any reason under the applicable laws, the Nomination and Remuneration Committee may re-issue the options to other eligible employees. The options so issued shall be subject to the terms and conditions of the ESOP-2019.

b) Identification of Classes of employees entitled to participate in the ESOP-2019

For the purpose of the ESOP-2019, the eligible employees shall be amongst from the following persons:

1. A permanent employee of the Company working in India or outside India; or
2. A Director of the Company, whether Whole Time Director or not but excluding an Independent Director; or
3. An employee as defined in above clause (1) or (2) of a subsidiary of the Company, in India or outside India, or of a Holding Company of the Company, if any;

Further, the following persons are not eligible to be categorized as eligible employees under the ESOP-2019:

1. An employee who is a promoter of the Company or belongs to the promoter group; or
2. A director of the Company, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.

Following the above conditions, the eligibility to participate in the Plan is further subject to such criteria as may be decided by the Nomination and Remuneration Committee

at its own discretion, including, but not limited to the date of joining of the Employee with the Company, grade of the Employee, performance evaluation, period of service with the Company, criticality or any other criteria, as the Nomination and Remuneration Committee determines.

c) Requirements of Vesting and period of Vesting (not less than 1 year)

The options granted shall vest so long as the employee continues to be in the employment of the Company.

The vesting period shall not be less than 1 year from date of grant of options. The vesting may happen in one or more tranches. The detailed terms and conditions of vesting are mentioned in the ESOP-2019.

The Nomination and Remuneration Committee may, at its sole & absolute discretion, lay down performance metrics which shall inter-alia include business performance and achievement of set business targets on the achievement of which such options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest.

d) Maximum Period within which the options shall be vested

Under the "ESOP-2019", the vesting will occur in not more than 5 years from the date of grant of option.

e) Conditions under which Vested Options may lapse

In case of termination of employment of the employee 'for cause', the vested options may lapse. The events included under 'for cause' are specifically mentioned in the ESOP-2019.

f) Exercise Price or pricing formula

The Exercise Price shall be the closing price of the Shares of the Company on the Stock Exchange with the higher trading volume on the trading day immediately preceding the date of Grant.

g) Exercise Period and process of exercise

The vested options shall be eligible for exercise on and from the date of vesting. The exercise period shall be four (4) years from the date of vesting of options except in case of termination without cause and resignation by the employee.

The employee can exercise stock options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable

taxes and by execution of such documents as may be prescribed by the Nomination and Remuneration Committee, from time to time. The options shall lapse if not exercised within the specified exercise period.

h) Exercise Period for Vested Options in Case of Termination of or Resignation from Employment

The exercise period for vested options in case of termination of employment 'without cause' or resignation from employment is 90 days from the date of termination or resignation as the case may be.

i) Appraisal process for determining the eligibility of the Eligible Employees

The process for determining the eligibility of the Eligible Employees will be specified by the Nomination and Remuneration Committee and will be based on designation; period of service, loyalty, value addition, designation, present & past contribution, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination and Remuneration Committee at its sole discretion, from time to time.

j) Maximum number of options to be granted per Eligible Employee and in aggregate

Maximum number of options to be granted to an Eligible Employees will be determined by the Nomination and Remuneration Committee on a case to case basis and shall not exceed the limit prescribed under the applicable laws.

k) Implementation and Administration of ESOP-2019

ESOP-2019 shall be implemented directly by the Company through the Nomination and Remuneration Committee of the Board. Further, all acts, deeds, things and matters in connection to ESOP-2019 shall be administered by the Nomination and Remuneration Committee of the Board.

l) Source of acquisition of shares under the ESOP-2019

Equity Shares shall be allotted to the eligible employees exercising their Options by way of a primary issuance.

m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not applicable

n) Maximum percentage of secondary acquisition:

Not applicable

o) Compliance with Accounting Policies

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the applicable laws from time to time.

p) Method of valuation of options

The Company shall adopt the fair value Method by using Black- Scholes Option Pricing Formula for determining the value of an option granted under the ESOP-2019.

As the ESOP-2019 would require issue of further Equity Shares, in terms of Sections 62(1)(b) and rules made thereunder and all other applicable provisions, if any, of the Act, as amended and the SEBI SBEB Regulations, consent of the Members of the Company is required by passing a Special Resolution in a General Meeting.

A draft copy of the ESOP-2019 is available for inspection as per details mentioned in note no. 15 to the accompanying Notice of the Annual General Meeting.

None of the Directors or Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice, except to the extent of the stock options that may be granted to them under ESOP-2019.

The Board of Directors recommends resolution set out at Item No. 10 for your consideration and approval by way of Special Resolution.

By Order of the Board of Directors
For Aavas Financiers Limited

Sharad Pathak
Company Secretary and Compliance Officer
(FCS-9587)

Jaipur, June 19, 2019

Registered and Corporate Office:

201-202, 2nd Floor, South End Square,
Mansarovar Industrial Area, Jaipur 302 020, Rajasthan, India
CIN: L65922RJ2011PLC034297

Tel: +91 14 1661 8800 Fax: +91 14 1661 8861

E-mail: investorrelations@aavas.in | Website: www.aavas.in

Annexure-I

Details of Directors seeking Appointment/re-appointment vide this Notice (pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and Secretarial Standard on General Meetings issued by Institute of Company Secretaries of India (ICSI) :

Name of Director	Mr. Sushil Kumar Agarwal	Mr. Ramachandra Kasargod Kamath	Mr. Vivek Vig
Date of Birth	November 17, 1976	November 19, 1955	December 06, 1962
DIN	01715073	03154532	01117418
Age	42 years	64 years	57 years
Qualification	Mr. Agarwal is a qualified Chartered Accountant and Company Secretary.	Mr. Kamath holds a bachelor's degree in Commerce from the University of Mysore. He is an honorary Fellow of Indian Institute of Banking and Finance. Further, Mr. Kamath is a certified associate of the Indian Institute of Bankers.	Mr. Vig holds a post-graduate diploma in Management from Indian Institute of Management at Bangalore
Brief Resume and Experience	Mr. Sushil Kumar Agarwal has been associated with our Company since its incorporation in 2011. Mr. Agarwal was previously associated with Au Small Finance Bank as its Business Head – SME & Mortgages. He has previously also worked with ICICI Bank Limited as its Chief Manager and with Kotak Mahindra Primus Limited as an Assistant Manager. He has more than 18 years of experience in the field of Retail Financial Services.	Mr. Ramachandra Kasargod Kamath is a Non-Executive Nominee Director appointed on the Board of the Company by Lake District Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1. He has more than 42 years of experience in the field of Banking and finance. Mr. Kamath was previously associated with Corporation Bank as its General Manager; and with Punjab National Bank as its Chairman and Managing Director. He has also served as the Chairman and Managing Director of Allahabad Bank and as Executive Director of Bank of India.	Mr. Vivek Vig is a Non-Executive Nominee Director appointed on the Board of the Company by Partners Group ESCL Limited and Partners Group Private Equity Master Fund LLC. He has more than 30 years of experience in the field of Retail Banking and finance. Mr. Vig has previously served as the Managing Director and Chief Executive Officer of Destimoney Enterprises Limited and was a sponsor investor and Director in PNB Housing Finance 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. Additionally, in the past, he has also been associated with Citibank N.A., where he has held various positions across the consumer bank in India, Poland, Taiwan and as Country Head in Turkey and Saudi Arabia.
Nature of expertise in specific functional areas	Retail Financial Services	Banking, Finance, Risk Management and Corporate Governance	• Business Builder – identify opportunities for growth. • Formulate and guide the credit architecture, risk metrics and Analytics. • Integrate various functions under common vision and values. • Guide and mentor CEOs and senior management to perform to potential.

Relationships with other directors and Key Managerial Personnel	None	None	None
Directorship held in other Listed Companies in India	Nil	I. Centrum Capital limited II. New Opportunity Consultancy Private Limited III. Spandana Sphoorty Financial Limited	Nil
Membership / Chairmanship of Committees in other Companies in India	Nil	Membership I. Manipal Technologies Limited - Audit Committee - CSR Committee - Nomination and Remuneration Committee II. Spandana Sphoorty Financial Limited - Stakeholders Relationship Committee - CSR Committee - Risk Management Committee III. New Opportunity Consultancy Private Limited - Audit Committee - Nomination and Remuneration Committee	Nil
No. of Equity shares held in the Company (As on March 31, 2019)	32,28,359 Equity Shares of ₹10/- each	1,09,940 Equity Shares of ₹10/- each	6,08,673 Equity Shares of ₹10/- each
Key terms and conditions of re-appointment	The terms and conditions of appointment including remuneration are forming part of the resolution set out at Item No. 5 of this Notice.	Re-appointment as Non-Executive Nominee Director liable to retire by rotation	Re-appointment as Non-Executive Nominee Director liable to retire by rotation
Remuneration proposed to be paid		Sitting Fees for attending the meetings of the Board of Directors and profit related commission as approved by the Members from time to time.	Sitting Fees for attending the meetings of the Board of Directors and Committees / other meetings thereof and profit related commission as approved by the Members from time to time.
Date of first appointment on board, last drawn remuneration and number of board meetings attended	Mr. Sushil Kumar Agarwal has been associated with the Company as Director since its incorporation i.e. February 23, 2011. The remuneration paid to Mr. Sushil Kumar Agarwal in Financial Year 2018-19 was ₹2.20 crore which does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole and perquisites value towards the stock options exercised during the year. During the Financial Year 2018-19, 10 (Ten) Board Meetings were convened and held and all the 10 (Ten) meetings were attended by Mr. Sushil Kumar Agarwal.	Mr. Kamath has been associated with the Company as Non-Executive Nominee Director from July 14, 2016. During the Previous financial year Mr. Kamath was paid sitting fees amounting to ₹3.5 lakh and profit linked commission amounting to ₹16 lakh. During the Financial Year 2018-19, 10 (Ten) Board Meetings were convened and held and the 7 (Seven) meetings were attended by Mr. Kamath.	Mr. Vig has been associated with the Company as Non-Executive Nominee Director from July 14, 2016. During the Previous financial year Mr. Vig was paid sitting fees amounting to ₹2 lakh. During the Financial Year 2018-19, 10 (Ten) Board Meetings were convened and held and 4 (Four) meetings were attended by Mr. Vig.

Annexure-II

ROUTE MAP TO AGM VENUE



9TH ANNUAL GENERAL MEETING

Date & Time: Thursday, August 01, 2019 at 3:30 P.M.

Venue: Clarks Brij Convention Centre (CBCC),
Hotel Clarks Amer, Jawahar Lal Nehru Marg,
Near Jaipur Airport, Jaipur-302018 (Rajasthan)

