

# AVIOM INDIA HOUSING FINANCE PRIVATE LIMITED

BOARD REPORT FY 2023-24



**AVIOM INDIA HOUSING FINANCE PRIVATE LIMITED**

**BOARD REPORT 2023-24**

<b>CORPORATE IDENTITY NUMBER</b>
U65993DL2016PTC291377
<b>STATUTORY AUDITORS</b>
M/s SCV & Co. LLP, Chartered Accountants Firm Registration No. 000235N/N500089 Office: B-41, Panchsheel Enclave, New Delhi - 110017
<b>BOARD OF DIRECTORS &amp; KEY MANAGERIAL PERSONNEL</b>
<ol style="list-style-type: none"><li>1. Ms. Kaajal Aijaz Ilmi, MD &amp; CEO</li><li>2. Mr. Kunal Sikka, Non-Executive Director</li><li>3. Mr. Stephen Lee, Nominee Director</li><li>4. Ms. Aashna Cacua Desai, Nominee Director</li><li>5. Ms. Sannovanda Machaiah Swathi, Independent Director</li><li>6. Ms. Divya Abhishek, Independent Director</li><li>7. Mr. Vishal Karnani, Nominee Director</li><li>8. Ms Divyani Chand, Chief Compliance Officer &amp; Company Secretary</li></ol>
<b>INTERNAL AUDIT (CO-SOURCING OF THE INTERNAL AUDIT FUNCTION)</b>
Grant Thornton Bharat LLP, Having office at 11th Floor, Tower II, One International Center SB Marg, Prabhadevi (W), Mumbai - 400013, Maharashtra, India has been engaged for assisting the company in conducting internal audit and branch audit for the financial year 2023-24
<b>REGISTERED OFFICE</b>
Worldmark 3, Unit 306A, 3rd Floor, Asset Area no. 7, Hospitality District, Delhi Aerocity, Near Indira Gandhi International, Airport, New Delhi-110037, India
<b>BANKERS</b>
Federal Bank HDFC Bank Limited ICICI Bank Limited Axis Bank Limited IndusInd Bank Limited AU Small Finance Bank Limited State Bank of India Indian Bank Jana Small Finance Bank Limited Hongkong and Shanghai Banking Corporation Limited
<b>EMAIL &amp; WEBSITE</b>
<a href="mailto:connect@aviom.in">connect@aviom.in</a> <a href="http://www.aviom.in">www.aviom.in</a>

## BOARD'S REPORT

To

The Members,

**AVIOM India Housing Finance Private Limited**

Your Directors have pleasure in presenting the 9<sup>th</sup> (Nineth) Board's Report on the business and operations of AVIOM India Housing Finance Private Limited (hereinafter referred to as "the Company" or "AVIOM"), for the Financial Year ended March 31, 2024. This Report includes Audited Financial Statements, Management Discussion and Analysis Report (MDAR), Corporate Governance Report, CSR Annual Report and other annexures, which form an integral part of this Report

### FINANCIAL REVIEW OF OPERATIONS

#### **A. Income**

Your Company posted total income of Rs. 4,16,84,92,218 /- during the year, as compared to Rs. 2,41,90,57,308/- in the previous financial year 2022-23. Out of this, Interest income on loans has increased from Rs. 2,08,82,60,532/- in the previous financial year 2022-23 to Rs. 3,06,29,50,179/- in the current Financial Year 2023-24. The "Income other than interest income" has increased from Rs 33,07,96,776/- in previous financial year 2022-23 to Rs 1,12,27,17,052/- in the current Financial Year 2023-24.

#### **B. Expenses**

Expenses for the year stood at Rs. 3,53,32,15,559/- in the current Financial Year as compared to Rs 2,19,91,63,794/- in the previous Financial Year representing an increase of 61%. The increase in expenses is in line with the increase in business of the company. During the year, the company has borrowed additional debt of Rs 7,20,04,50,000/- which led to an increase in the interest expense in consonance with business growth.

#### **C. Profits**

Your Company earned a Profit after tax of Rs. 45,87,99,603/- for the current financial year as against profit after tax of Rs. 16,06,37,878/- in the previous financial year. This is primarily attributable to the growth in disbursements and Loan book of the Company.

*(in Rupees)*

Particulars	FY 2023-24	FY 2022-23
Total Revenues	4,16,84,92,215	2,41,90,57,308
Less: Total Expenditures	3,53,32,15,559	2,19,91,63,794
Profit before Tax (PBT)	63,52,75,656/-	21,98,93,514
Provisions for Tax	(6,75,05,552)	(3,42,97,215)
Deferred tax assets/(liability)	(10,89,69,501)	(2,49,58,906)
Other comprehensive income (OCI)	(3,39,91,582)	43,000
Profit after Tax (PAT)	42,48,09,021	16,06,80,879
Transfer to Reserves fund u/s 29C of NHB Act,1987	9,17,59,921	3,21,27,575
Profit/ (Loss) Carry forward	52,03,82,100	18,72,29,024

## **BUSINESS PERFORMANCE HIGHLIGHTS**

### **a) Sanctions**

During the current financial year, your Company has sanctioned loans amounting to Rs. 14,77,25,94,914/- as compared to Rs 5,89,19,78,806/- in the previous financial year.

### **b) Disbursements**

During the current financial year, your company has disbursed loans amounting to Rs 10,94,15,55,787 as compared to Rs 4,76,98,83,445/- in the previous financial year, recording a growth of 56%. The cumulative loan disbursements from inception to the end for the financial year 2023-24 stood at Rs 24,16,74,48,653/-

### **c) Loans outstanding (Loan Book)**

The total loan outstanding as on March 31, 2024 were Rs. 15,63,21,06,252/-, recording a growth of 55% over last year which was Rs 10,09,57,53,001. The Company has done a Direct Assignment transaction of Rs 1,92,68,39,344/- in the Financial Year 2023-24, amount outstanding of all Direct Assignment transactions as on March 31, 2024 is Rs. 2,03,44,75,000/-.

### **d) Non-Performing Assets (NPA)**

Your Company has developed a strong collection and recovery mechanism, which together with strong origination standards, has resulted in 0.97% NPAs in its portfolio.

Your Company continued to review its portfolio quality periodically to avoid any delinquencies, and apply course corrections if any required, apart from maintaining high lending standards to mitigate risks.

During the year under review, your Company has made a provision for Rs 5,46,58,770 /- towards loan portfolio, in accordance with ECL method of provisioning. In compliance with the Directions/guidelines issued by the Reserve Bank of India, the Company has made excess provision as compared to provision required as per Directions/guidelines.

### **e) Credit Rating**

During the Financial year under review, the Company received BBB+ (Stable) rating from ICRA, CRISIL & ACUTE Ratings & Research.

Credit Rating Agency	Instrument	Rating (Outlook)
ACUTE Ratings & Research Limited	Long Term Borrowings	BBB+ (Stable)
	Non- Convertible Debentures	BBB+ (Stable)
ICRA Limited	Non- Convertible Debentures	BBB+ (Stable)
CRISIL Ratings Limited	Long Term Borrowings	BBB+ (Stable)
	Non- Convertible Debentures	BBB+ (Stable)

## **TRANSFER TO RESERVES**

Your company has transferred an amount of Rs 9,17,59,921/- to Reserves for the financial year ended March 31, 2024 out of which Rs Nil is transferred to Special Reserve under section 36(1)(viii) of the Income Tax Act and Rs 9,17,59,921/- to Reserve under section 29C of the NHB Act.

## **DEBENTURE REDEMPTION RESERVE**

As per Section 71 of the 2013 Act, any company that intends to issue debentures must create a DRR to which adequate amounts shall be credited out of the profits of the company until the redemption of the debentures. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, Housing Finance Companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

## DIVIDEND

In order to augment capital required for supporting growth of your company, through retention of Internal accruals, the Company has not recommended any dividend for the financial year ended March 31, 2024.

## PORTFOLIO OF THE COMPANY

The portfolio of the total loan outstanding, of your company stood at Rs 15,63,21,06,252/- as on March 31, 2024 as against Rs 10,09,57,53,001/-in the previous year.

The average ticket size on portfolio as on March 31, 2024 stood at Rs 2.56 lakhs against Rs 2.10 lakhs in the previous year.

## CAPITAL ADEQUACY

As required under Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, your Company is presently required to maintain a minimum capital adequacy of 15% on a standalone basis. The Capital Adequacy Ratio (CAR) of the Company as on March 31, 2024 was 29.49% % as compared to previous year 40.58%.

## EXPANSION OF BRANCH NETWORK

Your Company has branch network across 13 states with 268 branch locations as on 31st March 2024.

Details of the branches are given below:

Region	Branch Count	Location
Andhra Pradesh	18	ADONI, AMALAPURAM, ANAKAPALLI, ANANTAPUR, CHIRALA, ELURU, GUNTUR, JANGAREDDYGUDEM, KAKINADA, KURNOOL, MADANAPALLE, NANDYAL, NELLORE, PRODDATUR, RAJAHMUNDRY, SRIKAKULAM, VIJAYWADA, VIZIANAGARAM
Bihar	15	ARRAH, BHAGALPUR, GAYA, JEHANABAD, MAHUA, MARHAURA, MASAUHRI, MUZAFFARPUR, NAWADA, PATNA, PURNIA, SAMASTIPUR, SASARAM, SITAMARHI, WAZIRGANJ
Gujarat	7	AMRELI, BHAVNAGAR, BOTAD, JAMNAGAR, MEHSANA, NARODA, RAJKOT
Haryana	5	AMBALA, KAITHAL, KURUKHSETRA, SIRSA, YAMUNANAGAR
Karnataka	27	ARSIKERE, BAGALKOT, CHAMARAJANAGAR, CHIKKABALLAPURA, CHITRADURGA, DAVANGERE, DEVARAHIPPARAGI, GADAG, GAURIBIDANUR, HAGARIBOMMANAHALLI, HASAN, HAVERI, HUBLI, HUNSUR, KANAKPURA, KOLAR, KOLLEGALA, KOPPALA, MANDYA, MYSORE, NELAMANGALA, SHIVAMOGGA, SIRA, TUMKUR, TURUVEKERE, VIJAYPURA, YELHANKA
Madhya Pradesh	52	AGAR MALWA, ASHTA, BADNAGAR, BALAGHAT, BARELI, BARWANI, BETUL, BHERUNDA, BHOPAL, BIORA, CHHATARPUR, CHINDWARA, DAMOH, DEWAS, DHAMNOD, DHAR, GAIRATGANJ, GANJ BASODA, GUNA, HARDA, HATHPIPLIYA, HOSHANGABAD, INDORE, JABALPUR, JAORA, KANNOD, KATNI, KHANDWA, KHARGONE, KHIRKIYA, MANDLA, MANDSAUR, NARSINGHPUR, NEEMUCH, PANDHURNA, PIPARIYA, RAJGARH, RATLAM, REWA, SAGAR, SANAWAD, SATNA, SEHORE, SEONI, SHAHDOL, SHAJAPUR, SHAMGARH, SHUJALPUR, SINGOLI, SIRONJ, UJJAIN, VIDISHA
Maharashtra	36	AHMEDNAGAR, AKOLA, AMBAJOGAI, AURANGABAD, BADNERA, BARSHI, BEED, BHANDARA, BHAMHAPURI, CHANDRAPUR, DEORI, DHAMANGAON, DHULE, GONDIA, HINGOLI, JALGAON, JALNA, KOLHAPUR, NAGPUR, NANDED, NASIK, PARATWADA, PARBHANI, PUSAD, SANGLI, SATARA, SHIKRAPUR, SOLAPUR, UDGIR, UMARKHED, VITA, WARDHA, WARUD, WASHIM, YAVATMAL, YEOLA
Punjab	16	AMRITSAR, BARNALA, BHATINDA, CHABHAL, DABWALI, FARIDKOT, FATEGARH CHURIAN, KHANNA, LUDHIANA, MANSA, MOGA, NAKODAR, NAWANSHAHR, PATIALA, RUPNAGAR, SANGRUR
Rajasthan	19	AJMER, ANUPGARH, BARAN, BEAWAR, BHILWARA, BIJAYNAGAR, BIKANER, CHITTORGARH, DEGANA, FATEHNAGAR, HANUMANGARH, JAIPUR, JHALAWAR, KOTA, PALI, SARDARSHAHR, SIKAR, SRIGANGANAGAR, SUMERPUR

<b>Tamil Nadu</b>	3	HOSUR, KRISHNAGIRI, SALEM
<b>Telangana</b>	20	ADILABAD, BANSWADA, JAGTIAL, JAMMIKUNTA, JANGAON, KAMAREDDY, KARIMNAGAR, KHANAPUR, KODAD, MANCHERIAL, MEDAK, MIRYALAGUDA, NALGONDA, NIRMAL, NIZAMABAD, SIDDIPET, SIRCILLA, SURYAPET, THORRUR, WARANGAL
<b>Uttar Pradesh</b>	46	AGRA, AKBARPUR, ALIGARH, ALLAHABAD, AMBEDKAR NAGAR, AYODHYA, BAHRAICH, BALRAMPUR, BANTHRA, BAREILLY, BASTI, BIJNAUR, BUDAUN, BULANDSAHAR, DIBAI, FATEHPUR, GAJRAULA, GHATAMPUR, GORAKHPUR, HARDOI, HATHRAS, JAUNPUR, KANNAUJ, KANPUR, KOSI KALAN, LUCKNOW, MATHURA, MEERUT, MIRZAPUR, MORADABAD, ORAI, PILIBHIT, PILKHUWA, RAEBARELI, RAMPUR MANIHARAN, SAHARANPUR, SEWLA AGRA, SHAHJAHANPUR, SHAMLI, SHIKOHABAD, SIDDHARTH NAGAR, SITAPUR, SIYANA, SONBHADRA, SULTANPUR, VARANASI
<b>Uttarakhand</b>	4	HARIDWAR, ROORKEE, RUDRAPUR, VIKAS NAGAR
<b>Total</b>	268	

### **STATE OF COMPANY'S AFFAIRS**

Some key parameters and milestones are as follows:

1. The company has posted a PAT of Rs 45.88 Crores and able to increase the portfolio by more than 55 %.
2. The loan portfolio as of March 31, 2024 stood at Rs 1563.21 Crores as against Rs 1009.57 Crores as of March 31, 2023.
3. Gross NPA and Net NPA ratio were 0.97 % and 0.54% respectively, as on March 31, 2024.

### **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the fundamental nature of business of the Company during the year under review.

#### **Alternate Channel- AVIOM Shakti, AVIOM Saathi and AVIOM Paathshala**

During the Financial Year ended March 31, 2024, the total logins procured during the Financial Year 2023-24 through the Shakti channel were 7092. During the Financial Year 2023-24, The total logins during the Financial Year 2023-24 through the Saathi channel was 1271.

### **MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the Company which has occurred between the financial year end of the Company i.e. March 31, 2024 till date of the Board's Report.

### **REGULATORY GUIDELINES**

Your Company has been complying with applicable Guidelines, Circulars and Directions issued by Reserve Bank of India/National Housing Bank ("NHB") in general from time to time. The Company has been maintaining capital adequacy as prescribed by the NHB periodically.

As on March 31, 2024, percentage of Individual Housing Loan to the total assets excluding intangible asset and deferred revenue expenditure is 62.20% as against the Principal Business Criteria (PBC) of 60% of Reserve Bank of India.

### **PUBLIC DEPOSITS**

Your Company is a non-deposit accepting Housing Finance Company as per Master Direction - Non- Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 and the provision of section 73 of the Companies Act, 2013 are not applicable to the Company. The Company has NIL public deposits for the period ended March 31, 2024.

Further, during the year ended March 31, 2024, the Company has not accepted, renewed or held any public deposit as on the balance sheet date.

Since the Company has neither accepted nor renewed any public deposits during the year under review, accordingly, the requirement of maintaining liquid assets as specified under Section 29B of the National Housing Bank Act, 1987, does not arise.

## **FINANCE**

During the Financial Year 2023-24, the Company met its funding requirements through Term Loans, working Capital Loans, Non- Convertible Debentures, External Commercial Borrowings and overdraft facilities. The details of which are as follows:

#	Particulars	Name of the Lenders	Amount
			(in Rupees)
1.	Listed External Commercial Borrowing (ECB)	JAPAN ASEAN WOMEN EMPOWERMENT FUND SA, SICAV - SIF	41,39,00,000
2.	Term Loan	ESAF SMALL FINANCE BANK LIMITED	20,00,00,000
3.	Term Loan	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	25,00,00,000
4.	Overdraft Facility	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	1,00,00,000
5.	Term Loan	THE KARUR VYSYA BANK LIMITED	15,00,00,000
6.	Term Loan	MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED	30,00,00,000
7.	Non-Convertible Debentures (NCD)	NORTHERN ARC CAPITAL LIMITED	60,00,00,000
8.	Term Loan	MANAPPURAM FINANCE LIMITED	20,00,00,000
9.	Term Loan	OXYZO FINANCIAL SERVICES PRIVATE LIMITED	10,00,00,000
10.	External Commercial Borrowing (ECB)	INDO-PACIFIC LIQUIDITY FACILITY PTE. LTD.	16,63,29,550
11.	Term Loan	HDFC BANK LIMITED	71,00,00,000
12.	Term Loan	ADITYA BIRLA FINANCE LIMITED	15,00,00,000
13.	Term Loan	POONAWALLA FINCORP LIMITED	40,00,00,000
14.	Term Loan	LIC HOUSING FINANCE LTD	40,00,00,000
15.	Term Loan	SURYODAY SMALL FINANCE BANK LIMITED	15,00,00,000
16.	Term Loan	OXYZO FINANCIAL SERVICES PRIVATE LIMITED	15,00,00,000
17.	Term Loan	TATA CAPITAL FINANCIAL SERVICES LIMITED	20,00,00,000
18.	Term Loan	SBM BANK (INDIA) LIMITED	10,00,00,000
19.	Term Loan	INCREC FINANCIAL SERVICES LIMITED	15,00,00,000
20.	Non-Convertible Debentures (NCD)	AAV SARL (LUXEMBOURG) & MASALA INVESTMENTS SARL (LUXEMBOURG)	24,51,00,000
21.	Term Loan	THE FEDERAL BANK LTD	20,00,00,000
22.	Term Loan	HINDUJA HOUSING FINANCE LIMITED	19,00,00,000
23.	Term Loan	NORTHERN ARC CAPITAL LIMITED	30,00,00,000
24.	Term Loan	KOTAK MAHINDRA INVESTMENTS LIMITED	50,00,00,000
25.	Term Loan	UTKARSH SMALL FINANCE BANK LIMITED	12,00,00,000

26.	Term Loan	CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED	9,50,00,000
27.	External Commercial Borrowing (ECB)	JAPANESE ASEAN WOMEN EMPOWERMENT FUND	40,95,00,000
28.	External Commercial Borrowing (ECB)	INSUREILIENCE INVESTMENT FUND	41,01,50,000

The aggregate outstanding bank borrowings i.e. Term Loans plus overdraft at the end of the Financial Year stood at Rs 13,11,74,52,668/- as compared to Rs 9,10,16,47,164/- at the end of the Previous Year. Further the overall borrowings are within regulatory ceiling as well as aggregate borrowing limit of the Company.

The overall cost of borrowings (average) was 12.3% p.a. as on March 31, 2024.

#### **NON-CONVERTIBLE DEBENTURES:**

During the Year under review, following Non-Convertible Debentures were issued by the Company:

ISIN	Name of Allotees	Date of Allotment	No. of Debentures	Amount of Debentures issued (in INR)
INE0E2307187	AAV Sarl (Luxembourg) & Masala Investments Sarl (Luxembourg)	July 07, 2023	4902	24,51,00,000
INE0E2307195	Northern Arc Capital Limited	January 31, 2024	6000	60,00,00,000

During the Year under review, the Company has redeemed following Non-Convertible Debentures pertaining to ISIN INE0E2307013, ISIN INE0E2307021 & INE0E2307096.

ISIN	Name of Allotees	Date of Redemption	No. of Debentures	Amount of Debentures (in INR)
INE0E2307096	GLOBAL ACCESS FUND LP	September 29, 2023	372	37,20,00,000
INE0E2307021	Aviator Emerging Market Fund	January 06, 2024	375	3,75,00,000
INE0E2307013	Aviator Emerging Market Fund	August 25, 2023	50	5,00,00,000

The Company's principal outstanding from Non-Convertible Debentures ("NCD") stood as per IND AS at Rs INR 3,84,37,70,743/- The detailed break-up of NCDs as on March 31, 2024 and the rating assigned by the rating agencies are as under:

#	ISIN	Date of Allotment	Name of the Debenture Holder	No of Debentures	Principal Outstanding (in INR)	Principal Outstanding as on March 31 2024 (as per IND AS) (in INR)	Ratings	Listed/ Unlisted
1	INE0E2307054	04-May-21	COVID-19 EMERGING AND FRONTIER MARKETS MSME SUPPORT FUND SCSP SICAV-RAIF -	145	14,50,00,000	14,42,63,520	ACUITE (BBB Stable)	Listed



			AFRASIA					
2	INE0E2307062	06-May-21	MICROFINANCE INITIATIVE FOR ASIA (MIFA) DEBT FUND SA, SICAV-SIF	220	22,00,00,000	21,75,54,997	ACUITE (BBB Stable)	Listed
3	INE0E2307088	06-Jul-21	PETTELAAR EFFECTENBEWAARBE DRIJF N. V.	215	21,50,00,000	21,44,17,583	ACUITE (BBB Stable)	Unlisted
4	INE0E2307112	16-Nov-21	AAV S.A.R.L & MASALA INVESTMENTS S.A.R.L.	300	30,00,00,000	29,69,44,606	ACUITE (BBB Stable)	Unlisted
5	INE0E2307179	27-Oct-21	NORTHERN ARC INDIA IMPACT TRUST	300	30,00,00,000	29,75,52,716	ICRA (BBB Stable)	Unlisted
6	INE0E2307120	27-Jan-22	NORTHERN ARC CAPITAL LIMITED & MICROBUILD I B V	42000	42,00,00,000	41,35,88,663	ACUITE (BBB Stable)	Unlisted
7	INE0E2307138	21-Jul-22	Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF	310	31,00,00,000	30,97,17,265	CRISIL (BBB Stable)	Listed
8	INE0E2307146	29-Jul-22	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF	310	31,00,00,000	30,95,59,794	CRISIL (BBB Stable)	Listed
9	INE0E2307153	28-Dec-22	WLB ASSET II D PTE. LTD	5786200	57,86,20,000	57,10,24,000	ACUITE (BBB Stable)	Unlisted
10	INE0E2307161	23-Dec-22	AAV Sarl (Luxembourg) & Masala Investments Sarl (Luxembourg)	2454	24,54,00,000	24,37,34,103	ACUITE (BBB Stable)	Unlisted
11	INE0E2307187	07-Jul-23	AAV Sarl (Luxembourg) & Masala Investments Sarl (Luxembourg)	4902	24,51,00,000	24,41,53,044	ICRA (BBB+ Stable)	Unlisted
12	INE0E2307195	31-Jan-24	Northern Arc Capital Limited	6000	60,00,00,000	58,12,60,452	ICRA (BBB+ Stable)	Listed
<b>Total</b>				<b>58,43,356</b>	<b>3,88,91,20,000</b>	<b>3,84,37,70,743</b>		

During the Year, there has been no such instances where any Non-Convertible Debentures issued by the Company became due for redemption and not paid by the Company.

### **LISTING**

During the year, the Company has issued following Non-Convertible Debentures and the said Debentures are listed on the Bombay Stock Exchange.

S.no	ISIN	Name of Debenture Holders	Amount	Date of Allotment
1	INE0E2307195	Northern Arc Capital Limited	Rs 60 Cr	January 31, 2024

Further, the Company has also issued listed United States Dollars (USD) denominated ECB bonds during the year under review and the said ECB bonds are listed on India INX. The details of which are as follows:

S.no	ISIN	Name of Bond Holders	Amount	Date of Allotment
1	INIFD0605011	Japan ASEAN Women Empowerment Fund SA, SICAV - SIF	USD 5,000,000/- (Equivalent to INR 41,39,00,000/-)	February 29, 2024
2	INIFD0605029	BlueOrchard Impact Credit S.A. SICAV-RAIF	USD 1,700,000/- (Equivalent to INR 14,14,57,000/-)	March 28, 2024
3	INIFD0605037	BlueOrchard Microfinance Fund	USD 10,000,000/- (Equivalent to INR 83,00,00,000/-)	March 28, 2024

<sup>1</sup>The Disbursement of the ECB bonds issued to “BlueOrchard Impact Credit S.A. SICAV-RAIF” was made on March 28, 2024 however, the Company has received the Amount of USD 1.7 Million in its virtual Account in Indian Currency on April 03, 2024

<sup>2</sup>The Disbursement of ECB bonds issued to BlueOrchard Microfinance Fund” was made on March 28, 2024, however the Company has received the Amount of USD 10 Million in its virtual Account in Indian Currency on April 05, 2024.”

#### **DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Pursuant to Rule 8 (5)(iv) of Companies (Accounts) Rules 2014, the Company is required to give the names of the companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year.

During the Financial Year under review, No Company has become or ceased to be subsidiary, Joint Venture or Associate Company of the Company.

#### **DEPOSITORY SYSTEM**

The Company's Equity Shares are not listed on any stock exchange and are being traded on off- market platform.

As on March 31, 2024, 1,13,66,927 Equity Shares and 1,46,44,307 Compulsorily Convertible Preference Shares of the total issued shares were held in dematerialized form with National Securities Depository Limited (NSDL)

During the year under review, the Company had issued and allotted 43,80,841 Compulsorily Convertible Preference Shares to Teachers Insurance and Annuity Association of America (“TIAA”) on November 06, 2023 and the same were also admitted in the dematerialized mode with the depository.

In line with Rule 9B of companies (prospectus and allotment of securities) rules 2014, the Company is in the process of dematerialize all its securities and the same shall be complied by September 30, 2024.

#### **DEBENTURE TRUSTEES**

The details of the Debenture Trustee for the Non-Convertible Debentures issued by the Company as on March 31, 2024:

1. **CATALYST TRUSTESHIP LIMITED**, having office at 810, 8th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi – 110001, E-mail: [dt.mumbai@ctltrustee.com](mailto:dt.mumbai@ctltrustee.com), Tel: +91 1143029101 / +91 1143029102 acting as a Debenture Trustee for:
  - a. Covid-19 Emerging and Frontier Markets MSME Support Fund SCSp SICAV-RAIF
  - b. Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF
  - c. ASN Microkredietpool
  - d. AAV Sarl (Luxembourg)
  - e. Masala Investments Sarl (Luxembourg)
  - f. Northern Arc India Impact Trust
  - g. MicroBuild I, B.V.
  - h. Northern Arc Capital Limited

#### **SECURITY TRUSTEES**

The details of the Security Trustee for the External Commercial Borrowings (ECB) issued by the Company as on March 31, 2024:

1. **AXIS TRUSTEE SERVICES LIMITED** having its office at Axis House, Bombay Dyeing, Mills Compound, PANDHURANG Budhkar Marg, Worli, Mumbai- 400025, Email: [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in), Tel: 022-62300451 acting as a Security Trustee for “*Indo-Pacific Liquidity Facility PTE. Ltd*”.
2. **CATALYST TRUSTESHIP LIMITED**, having office at 810, 8th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi – 110001, E-mail: [dt.mumbai@ctltrustee.com](mailto:dt.mumbai@ctltrustee.com), Tel: +91 1143029101 / +91 1143029102, Acting as a Bond Trustee for :
  - a. BLUEORCHARD IMPACT CREDIT S.A. SICAV-RAIF
  - b. JAPAN ASEAN WOMEN EMPOWERMENT FUND SA, SICAV- SIF
  - c. BlueOrchard Microfinance Fund

## **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The provisions of Section 135 of the Companies Act, 2013 with respect to Corporate Social Responsibility (CSR) were applicable on the Company for the Financial Year 2023-24 since the Company had made a Net Profit of INR 17,69,15,845/- in the Financial Year 2022-23.

Therefore, in line with the provisions of Section 135 of the Companies Act 2013, the Company was required to spend at least 2% of the average net profits of the company made during the three immediately preceding financial years towards Corporate Social Responsibility (CSR), therefore the Company has made a contribution of INR 27,05,105/- (Indian Rupees Twenty Seven Lakhs Five Thousand One Hundred and Five Only) towards a project named "Women Empowerment Through Skill Development in Delhi-NCR" by a non-profit organisation named as "AKASHIGANGA FOUNDATION".

Since the amount required to be spent by the Company under CSR obligation did not exceed INR 50 Lakh, therefore in line with the provisions of Section 135(9) of the Companies Act, 2013, the requirement of constitution of CSR committee was not applicable to the Company.

The Annual Report on CSR as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is attached as **Annexure A**.

The CSR Policy developed and implemented in this regard has been uploaded on the website of the Company i.e [www.aviom.in](http://www.aviom.in)

## **RELATED PARTY TRANSACTIONS**

During the Financial Year under review, there are no material significant related party transactions as per the provisions of the Companies Act 2013 made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 and hence the Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 required to be given in the prescribed form AOC-2 are not applicable.

In line with the requirements of the Act and the directions issued by the RBI, the Company has formulated a policy on Related Party Transactions, which describes the transactions requiring requisite approvals, reporting and disclosures of transactions between the Company and its related parties. The said policy has also been uploaded on the Company's website [www.aviom.in](http://www.aviom.in) and it also forms part of this Board's Report as **Annexure B**

Further it is confirmed that except as provided under notes to accounts, none of the directors had any pecuniary relationship or transactions with the Company during the year under review.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## **CHANGE IN THE SHARE CAPITAL OF THE COMPANY**

### **1. Authorised Share Capital**

During the Financial Year under review, there has been no change in the Authorised Share Capital of the Company.

The Authorised Share Capital of the Company as on March 31, 2024 stood at Rs 60,20,00,000/- (Rupees Sixty Crores and Twenty Lakhs Only) divided into 2,26,53,095 (Two Crore Twenty-Six Lakhs Fifty-Three Thousand and Ninety-Five) equity shares of Rs. 10/- each aggregating to Rs. 22,65,30,950 (Rupees Twenty Two Crores Sixty Five Lakh Thirty Thousand Nine Hundred and Fifty) and 3,75,46,905 (Three Crore Seventy-Five Lakhs Forty-Six Thousand Nine Hundred and Five) Preference Shares of Rs 10/- each aggregating to Rs. 37,54,69,050 (Rupees Thirty Seven Crores Fifty Four Lakh Sixty Nine Thousand and Fifty).

### **2. Issued, Subscribed and Paid-Up Share Capital**

During the Financial Year under review, the Company had issued & allotted 43,80,841 Compulsorily Convertible Preference Shares of face value of Rs. 10 each to **Teachers Insurance and Annuity Association of America** ("TIAA") at a premium of Rs. 161.20 each aggregating to Rs. 171.20 each on November 06, 2023.

Further, during the year, the Board of Directors of the Company in their meeting held on October 27, 2023 approved conversion of following Compulsorily Convertible Preference Shares ("CCPS") into Equity Shares

- a) 62,73,325 Compulsorily Convertible Preference Shares ("Series B CCPS") of face value of Rs. 10 each held by Gojo & Company, Inc into 46,00,437 equity shares and
- b) 11,94,021 Compulsorily Convertible Preference Shares ("Series B CCPS") of face value of Rs. 10 each held by Capital 4 Development Asia Fund Cooperatief U.A into 8,75,615 equity shares,

Furthermore, on October 31, 2023, the Board of Directors of the Company approved transfer of 46,00,437 equity shares held by Gojo & Company, Inc, to Teachers Insurance and Annuity Association of America ("TIAA") and on November 03, 2023, transfer of 8,75,615 equity shares held by Capital 4 Development Asia Fund Cooperatief U.A to Teachers Insurance and Annuity Association of America ("TIAA").

As on March 31, 2024, the Issued Subscribed and Paid-up Share Capital of the Company stood at **Rs 48,60,38,350/-** (Rupees Forty Eight Crores Sixty Lakhs Thirty Eight Thousand Three Hundred Fifty Only) divided into 2,03,02,342 (Two Crores Three Lakh Two Thousand Three Hundred and Forty Two Only) Equity Shares of Rs 10/- (Rupees Ten Only) each aggregating to Rs. 20,30,23,420 (Rupees Twenty Crores Thirty Lakh Twenty Three Thousand Four Hundred and Twenty) and 2,83,01,511 (Two Crores Eighty Three Lakh One Thousand Five Hundred and Eleven Only) Compulsorily Convertible Preference Shares of Rs 10/- (Rupees Ten Only) each aggregating to Rs. 28,30,15,110 (Rupees Twenty Eight Crores Thirty Lakh Fifteen Thousand One Hundred and Ten).

During the year under review the Company has not:

- i. Issued Equity Shares with differential rights as to dividend voting or otherwise as per Section 43 of the Companies Act, 2013.
- ii. Issued shares (including sweat equity shares) to employees of the Company under any scheme pursuant to Section 54 of the Companies Act 2013; and
- iii. Issued Equity Shares under Employees Stock Option Scheme as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules 2014.

### 3. Transfer / Transmission

*During the Financial Year under review, following transfers of shares were approved by the Board Members:*

- Transfer of 46,00,437 equity shares held by Gojo & Company, Inc to Teachers Insurance and Annuity Association of America ("TIAA") on October 31, 2023 at an consideration of Rs. 63,00,75,851.52 (Rupees Sixty-Three Crores Seventy-Five Thousand Eight Hundred and Fifty-One Rupees and Fifty-Two Paise Only).
- Transfer of 8,75,615 equity shares held by Capital 4 Development Asia Fund Cooperatief U.A. to Teachers Insurance and Annuity Association of America ("TIAA") on November 03, 2023 at an consideration of Rs. 11,99,24,230.40 (Rupees Eleven Crores Ninety-Nine Lakhs Twenty-Four Thousand Two Hundred Thirty Rupees and Forty Paise Only).
- Transfer of 62,500 equity shares held by Ms. Nidhi Mittal to Ms. Kaajal Aijaz Ilmi on December 26, 2023 at a consideration of Rs. 81,25,000/-.
- Transfer of 62,500 equity shares held by Ms. Aarushi Gupta to Ms. Kaajal Aijaz Ilmi on December 26, 2023 at a consideration of Rs. 81,25,000/-
- Transfer of 3,33,333 shares held by Mr. Alok Joshi & Ms. Reena Joshi on December 27, 2023 at a consideration of Rs. 4,33,33,290/-

### 4. Shareholding Pattern of the Company

The shareholding pattern of the Company as on March 31, 2024, was as follows:

#### EQUITY SHARE CAPITAL

S. No.	Name of Shareholder	Number of Shares	% of Shareholding
1	Kaajal Aijaz Ilmi <sup>3</sup>	1,01,81,000	50.15
2	Greenscrap Advertisements Private Limited ("Promoter Entity")	16,45,240	8.10

3	Mr. Kunal Sikka	20,00,000	9.85
4	Mr. Kawal Jain	1,50,000	0.74
5	Mr. Abhinav Jain	1,00,000	0.49
6	Gojo & Company, Inc	7,50,020	3.69
7	Capital 4 Development Asia Fund Cooperatief U.A.	10	0.00
8	SABRE Partners AIF Trust	10	0.00
9	TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA ("TIAA")	54,76,062	26.97
	<b>TOTAL</b>	<b>2,03,02,342</b>	<b>100.00</b>

<sup>3</sup>The Company has issued 22,38,600 warrants of face value of INR 1/- each to Ms. Kaajal Aijaz Ilmi during the year in line with the Warrant Subscription Agreement dated July 24, 2023. The Warrants will be converted into Equity Shares on payment of Exercise Price within the due timelines.

#### **PREFERENCE SHARE CAPITAL (COMPULSORILY CONVERTIBLE PREFERENCE SHARES)**

S. No.	Name of Shareholder	Number of Shares	% of Shareholding
1.	Gojo & Company Inc	1,13,51,321	40.11
2.	Capital 4 Development Asia Fund Cooperatief U.A.	23,05,883	8.15
3	SABRE Partners AIF Trust	44,22,355	15.63
4	Teachers Insurance And Annuity Association Of America ("TIAA")	1,02,21,952	36.12
	<b>Total</b>	<b>2,83,01,511</b>	<b>100.00</b>

#### **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

##### **a. Board of Directors**

During the Financial Year under review:

- Mr. Stephen Dongwon Lee was appointed as Nominee Director of Teachers Insurance and Annuity Association of America ("TIAA") on the board of the Company w.e.f. May 29, 2023;
- Mr Sanjay Gandhi, representing Gojo & Company, Inc. on the board of the Company has tendered his resignation from the position of Nominee Director w.e.f. December 19, 2023 due to the requirements of the .Gojo's upcoming IPO requirements;
- Ms. Aashna Cacu Desai was appointed as an Additional Director in the capacity of Nominee Director of Teachers Insurance and Annuity Association of America ("TIAA") pursuant to Section 161(1) of the Companies Act, 2023 w.e.f. January 09, 2024 who shall hold office upto the ensuing Annual General Meeting of the Company;
- Ms. Divya Abhisek was appointed as an Additional Director in the capacity of Independent Director on the board of the Company w.e.f. January 12, 2024 pursuant to Section 161(1) of the Companies Act, 2023 who shall hold office upto the ensuing Annual General Meeting of the Company;
- Mr. Jagannath Samavedam, representing "Sabre Partners AIF Trust" on the board of the Company has tendered his resignation from the position of Nominee Director w.e.f. March 21, 2024 due to his resignation in the Sabre Partners AIF Trust.

As at the year ended March 31, 2024, the Board of Directors comprised as below:

Name of Director	DIN	Designation
Ms. Kaajal Aijaz Ilmi	01390771	Managing Director & CEO
Mr. Kunal Sikka	09082591	Non- Executive Director
Ms. Sannovanda Machaiah Swathi	06952954	Independent Director

Mr Stephen Dongwon Lee	08640160	Nominee Director
Ms. Aashna Cacu Desai	10186320	Nominee Director
Ms. Divya Abhishek	08709050	Independent Director

Post closure of Financial Year, Mr. Vishal Karnani has been appointed as an Additional Director in the capacity of Nominee Director of "Sabre Partners AIF Trust" on the board of the Company pursuant to Section 161(1) of the Companies Act, 2023 w.e.f. April 01, 2024 who shall hold office upto the ensuing Annual General Meeting of the Company.

The Company had received necessary approval from RBI in terms of Master Direction Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 for appointment of Directors on the Board, wherever required.

The Board recommends for regularization of Directorship of Ms. Divya Abhishek as an Independent Director for a period of upto 5 years and Ms. Aashna Cacu Desai & Mr. Vishal Karnani as Nominee Directors at the ensuing Annual General Meeting of the Company.

**b. Directors Disclosures**

Based on the declarations and confirmations received in terms of the provisions of the Act circular(s) / notification(s) / direction(s) issued by the Reserve Bank of India (RBI) as well as National Housing Bank (NHB) and such other applicable laws, the Company has obtained Fit & Proper Declarations, Deed of Covenants and various other Declarations duly signed by all the Directors of the Company. Further, none of the Directors of the Board of your Company are disqualified from being appointed as Directors.

**c. Declaration by Independent Directors**

All the Independent Directors have given declaration regarding their compliance of conditions of Section 149(6) of the Companies Act, 2013 ('the Act') with the code for independent Directors prescribed in Schedule IV to the Act at the time of his appointment as per the provisions of Section 149(7) of the Act.

**d. Performance Evaluation of Board by Independent Directors**

The major role of the Board in a Company is to provide strategic directions, monitor the management and to provide support and advice. The effectiveness of the Board depends on a variety of factors such as Board Structure, Functioning of the Board, Business Strategy, Governance, Financial Reporting Process, Internal Audit and Controls, Monitoring, Supporting and Advisory role. A Board evaluation is a process that measures the accountability, transparency and effectiveness of board members.

The performance of Non-Independent Directors and the Board as a whole were evaluated at the meeting of Independent Directors held on March 21, 2024.

**e. Fit and Proper Criteria**

In line with the requirement of the Master Direction - Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Master Directions), for housing finance companies. The Company has put in place a policy for ascertaining the fit and proper criteria to be adopted at the time of appointment of Directors and on a continuing basis.

Before appointing any person as a Director on the Board or continuing the appointment of any such Director, the Nomination and Remuneration Committee (NRC) undertakes adequate due diligence in respect of such individuals to ascertain suitability on the basis of the qualification, expertise, track record, integrity of such individual and also such other factors in respect of which information is obtained by the Company in the form of Declaration and Undertaking.

**f. Key Managerial Personnel**

During the Financial Year under review, Mr. Amit Arora has resigned from the position of Chief Financial Officer ("CFO") of the Company on March 16, 2024.

In accordance with the provisions of Section 203 of the Companies Act 2013 and rules made thereunder, the following are the Key Managerial Personnel (KMP) of the Company as on March 31, 2024:

Name	Designation
Ms. Kaajal Aijaz Ilmi	MD & Chief Executive Officer ("CEO")
Ms. Divyani Chand	Chief Compliance Officer & Company Secretary

In accordance with the Shareholder Agreement dated May 04, 2023, the "Key Persons"<sup>4</sup> of the Company are:

Name	Designation
Ms. Kaajal Aijaz Ilmi	MD & Chief Executive Officer ("CEO")
Mr Satish Bansal	Chief Risk Officer
Mr Amit Kumar	Chief Sales Officer
Mr Amit Srivastava	Chief Collection & Vigilance Officer
Mr Gaurav Sahai	Chief Technology Officer
Ms Divyani Chand	Chief Compliance Officer & Company Secretary

<sup>4</sup>Mr Amit Arora resigned w.e.f March 16, 2024

In compliance to RBI Circular no. RBI/2022-23/24 Ref.No.DoS.CO.PPG./SEC.01/11.01.005/2022-23 dated April 11, 2022, your Company being classified as NBFCs- Middle Layers as per erstwhile circular of RBI, is required to put in place a Board approved policy and a Compliance Function, including the appointment of a Chief Compliance Officer (CCO). Accordingly, Ms. Divyani Chand, Company Secretary is being appointed as the Chief Compliance Officer of the Company to oversee compliance functions w.e.f October 01, 2022.

### **COMMITTEES OF THE BOARD**

The Company has following Eleven (11) Board-level Committees that have been constituted in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

#### **1. Audit Committee**

The Board has constituted Audit Committee as a sub-committee of the Board on February 21, 2022. The Committee consists of following Members as on March 31, 2024:

S.No	Name of the Member	Designation
1.	Ms Sannovanda Machaiah Swathi	Independent Director
2.	Ms Kaajal Aijaz Ilmi	Executive Director
3.	Mr Stephen Lee	Nominee Director
4.	Ms. Divya Abhishek	Independent Director

*Note: Mr. Jagannath Samavedam (Nominee Director) resigned from the board of the Company w.e.f. March 21, 2024, therefore he was no longer the member of the committee as on March 31, 2024.*

#### **2. Nomination & Remuneration Committee**

The Board has constituted Nomination & Remuneration Committee as a sub-committee of the Board on February 21, 2022. The Committee consists of following Members as on March 31, 2024:

S.No	Name of the Member	Designation
1.	Ms Sannovanda Machaiah Swathi	Independent Director
2.	Mr Stephen Lee	Non-Executive Director
3.	Ms. Divya Abhishek	Independent Director

*Note: Mr. Jagannath Samavedam (Nominee Director) resigned from the board of the Company w.e.f. March 21, 2024, therefore he was no longer the member of the committee as on March 31, 2024.*

#### **3. Asset Liabilities Management Committee**

The Board has constituted Asset Liabilities Management Committee as a sub-committee of the Board on January 24, 2018. The Committee consists of following Members as on March 31, 2024:

S.No	Name of the Member	Designation
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1.	Ms. Kaajal Aijaz Ilmi	Managing Director & CEO
2.	Ms Sannovanda Machaiah Swathi	Independent Director
3.	Mr Stephen Lee	Nominee Director
4.	Mr Satish Bansal	Chief Risk Officer
5.	Ms. Divya Abhishek	Independent Director

Note: Mr. Jagannath Samavedam, Nominee Director & Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 21, 2024 & March 16, 2024 respectively. Consequent to which, they were no longer members of the Committee as on March 31, 2024.

#### 4. Risk Management Committee

The Board has constituted Risk Management Committee as a sub-committee of the Board on January 24, 2018. The Committee consists of following Members as on March 31, 2024:

S.No	Name of the Member	Designation
1.	Ms. Kaajal Aijaz Ilmi	Managing Director & CEO
2.	Ms Sannovanda Machaiah Swathi	Independent Director
3.	Mr Stephen Lee	Nominee Director
4.	Mr Satish Bansal	Chief Risk Officer
5.	Mr Amit Srivastava	Chief Collection, Operations and Vigilance Officer
6.	Mr Gaurav Sahai	Chief Technology Officer (CTO)
7.	Ms. Divya Abhishek	Independent Director

Note: Mr. Jagannath Samavedam, Nominee Director & Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 21, 2024 & March 16, 2024 respectively, Consequent to which, they were no longer members of the Committee as on March 31, 2024.

#### 5. Credit Committee

The Board has constituted Credit Committee on February 05, 2018. The Committee consists of following Members as on March 31, 2024:

#	Name of the Member	Designation
1	Ms Kaajal Aijaz Ilmi	Managing Director & CEO
2	Mr Satish Bansal	Chief Risk Officer

Note: Mr. Amit Arora (Chief Financial Officer) resigned from the board of the Company w.e.f. March 16, 2024, therefore he was no longer the member of the committee as on March 31, 2024.

#### 6. Loan Review Mechanism Committee

The Board has constituted Loan Review Mechanism Committee on January 24, 2018. The Committee consists of following



Members as on March 31, 2024:

S.No	Name of the Member	Designation
1	Ms. Kaajal Aijaz Ilmi	Managing Director & CEO
2	Mr. Satish Bansal	Chief Risk Officer
3	Mr. Amit Srivastava	Chief Collection, Operations & Vigilance Officer

Note: Mr. Amit Arora (Chief Financial Officer) resigned from the board of the Company w.e.f. March 16, 2024, therefore he was no longer the member of the committee as on March 31, 2024.

#### 7. Fair Practice Code Committee

The Board has constituted Fair Practice Code Committee on February 05, 2018. The Committee consists of following Members as on March 31, 2024:

S.No	Name of the Member	Designation
1	Ms. Kaajal Aijaz Ilmi	Managing Director & CEO
2	Mr. Satish Bansal	Chief Risk Officer
3	Mr. Amit Srivastava	Chief Collection, Operations & Vigilance Officer
4	Mr. Shashi Chandra	Senior Manager-HR

#### 8. IT Strategy Committee

The Board has constituted IT Strategy Committee on September 30, 2019. The Committee consists of following Members as on March 31, 2024:

S No	Members	Designation
1	Ms. Sannovanda Machaiah Swathi	Independent Director
2	Kaajal Aijaz Ilmi	Managing Director & CEO
3	Mr. Kunal Sikka	Non-Executive Director
4	Mr. Gaurav Sahai	Chief Technology Officer
5	Ms. Divya Abhishek	Independent Director

#### 9. IT Steering/ Executive Committee

The Board has constituted IT Executive Committee on September 30, 2019. The Committee consists of following Members as on March 31, 2024:

S No	Members	Designation
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1	Ms Kaajal Aijaz Ilmi	Managing Director & CEO
2.	Mr. Mool Raj Rana	Senior Manager- IT
3	Mr Gaurav Sahai	Chief Technology Officer

#### 10. Working Committee

The Board has constituted Working Committee on September 21, 2020. The Committee consists of following Members as on March 31, 2024:

S No	Members	Designation
1	Ms Kaajal Aijaz Ilmi	Managing Director & CEO
2	Ms Divyani Chand	Chief Compliance Officer & Company Secretary
3	Mr. Satish Bansal	Chief Risk Officer

Note: Mr. Amit Arora (Chief Financial Officer) resigned from the board of the Company w.e.f. March 16, 2024, therefore he was no longer the member of the committee as on March 31, 2024.

#### 11. Internal Complaint Committee

The Board has constituted Internal Complaint Committee on March 07, 2018. The Committee consists of following Members as on March 31, 2024:

S. No	Members	Designation	*
1	Kaajal Aijaz Ilmi	Chairperson	
2	Mr Shashi Chandra	Senior Manager-HR	
3	Ms Divyani Chand	Chief Compliance Officer & Company Secretary	

Note: Mr. Amit Arora (Chief Financial Officer) resigned from the board of the Company w.e.f. March 16, 2024, therefore he was no longer the member of the committee as on March 31, 2024.

#### NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR 2023-24:

Table containing details of Board Meetings and Committees Meetings along with dates are as follows:

S. No	Name of Committee	No. of Meetings	Date of Meetings
1.	Board Meetings	8 (Eight)	1. May 29, 2023 2. June 26, 2023 3. August 10, 2023 4. October 27, 2023 5. November 09, 2023 6. January 09, 2024 7. February 12, 2024 8. March 19, 2024
2.	Asset Liability Management Committee	4 (Four)	1. May 29, 2023 2. August 10, 2023 3. November 09, 2023 4. February 12, 2024

3	<b>Risk Management Committee</b>	4 (Four)	<ol style="list-style-type: none"> <li>1. May 29, 2023</li> <li>2. August 10, 2023</li> <li>3. November 09, 2023</li> <li>4. February 12, 2024</li> </ol>
4	<b>Audit Committee</b>	4 (Four)	<ol style="list-style-type: none"> <li>1. May 29, 2023</li> <li>2. August 10, 2023</li> <li>3. November 09, 2023</li> <li>4. February 12, 2024</li> </ol>
5.	<b>Nomination &amp; Remuneration Committee</b>	2 (Two)	<ol style="list-style-type: none"> <li>1. May 29, 2023</li> <li>2. January 09, 2024</li> </ol>
6	<b>IT Strategy Committee</b>	3 (Three)	<ol style="list-style-type: none"> <li>1. May 26, 2023</li> <li>2. October 20, 2023</li> <li>3. March 14, 2024</li> </ol>
7.	<b>IT Executive Committee</b>	3 (Three)	<ol style="list-style-type: none"> <li>1. June 20, 2023</li> <li>2. October 30, 2023</li> <li>3. March 15, 2024</li> </ol>
8	<b>Working Committee</b>	21 (Twenty One)	<ol style="list-style-type: none"> <li>1. May 10, 2023</li> <li>2. May 30, 2023</li> <li>3. June 16, 2023</li> <li>4. June 19, 2023</li> <li>5. June 27, 2023</li> <li>6. June 28, 2023</li> <li>7. July 27, 2023</li> <li>8. August 31, 2023</li> <li>9. September 12, 2023</li> <li>10. September 15, 2023</li> <li>11. September 25, 2023</li> <li>12. September 28, 2023</li> <li>13. October 05, 2023</li> <li>14. November 09, 2023</li> <li>15. December 11, 2023</li> <li>16. January 24, 2024</li> <li>17. February 27, 2024</li> <li>18. March 06, 2024</li> <li>19. March 14, 2024</li> <li>20. March 21, 2024</li> <li>21. March 28, 2024</li> </ol>

**ATTENDANCE OF DIRCTORS AT BOARD MEETINGS AS PER COMPANIES ACT 2013**

#	Name	Board Meetings	
		Meetings held	Attended
1.	Ms Kaajal Aijaz Ilmi	8	8
2.	Mr Sanjay Gandhi <sup>5</sup>	8	5
3	Mr Kunal Sikka	8	7
4	Mr Jagannath Samavedam <sup>6</sup>	8	8
5	Ms Sannovanda MachaiahSwathi	8	8
6	Mr. Stephen Lee <sup>7</sup>	8	7
7	Ms. Aashna Cacu Desai <sup>8</sup>	8	1
8	Ms. Divya Abhishek <sup>9</sup>	8	2

<sup>5</sup>Mr. Sanjay Gandhi resigned from the position of Nominee Director on the board of the Company w.e.f. December 19, 2023.

<sup>6</sup>Mr. Jagannath Samavedam resigned from the position of Nominee Director on the board of the Company w.e.f. March 22, 2024.

<sup>7</sup>Mr. Stephen Lee was appointed as the Nominee Director on the board of the Company w.e.f. May 29, 2023.

<sup>8</sup>Ms. Aashna Cacu Desai was appointed as Additional Director (Nominee Director) on the Board of the Company w.e.f. January 09, 2024

and post her appointment, she attended only 1 board meeting held on February 12, 2024 till Agenda Item no. 5.

<sup>9</sup>Ms. Divya Abhishek was appointed as Additional Director (Independent Director) on the board of the Company w.e.f. January 12, 2024.

### **ANNUAL RETURN**

Pursuant to notification issued by the Ministry of Corporate Affairs on 28th August, 2020 amending section 92(3) of the Companies Act, 2013 and the rules framed there under, the mandatory requirement for attaching extract of annual return with the Board's report has been omitted, hence the company is not attaching the extract of annual return with this report.

Further pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return on its website at [www.aviom.in](http://www.aviom.in)

### **CONFIRMATION ON NIL FRAUD MISFEASANCE OR ANY IRREGULARITY IN THE COMPANY**

There were no instances of fraud misfeasance or irregularity detected and reported in the Company during the financial year 2023-24.

### **AUDITORS AND THEIR REPORTS:**

The matters related to Auditors and their Reports are as under:

#### **a. Statutory Auditors**

M/s SCV & Co. LLP, Chartered Accountants (Firm Registration No. 000235N/N500089) having their Office at B-41, Panchsheel Enclave, New Delhi - 110017 were being appointed as the Statutory Auditors of the Company in the Annual General Meeting held on September 21, 2022 for a period of 3 years from the Financial Year 2021-22 to the Financial Year 2023-24 in terms of provisions of Section 139 of the Companies Act 2013 and Companies (Audit and Auditors) Rules read with RBI Guidelines for "Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)."

Since the term of M/s SCV & Co. LLP, Chartered Accountants is expiring at the ensuing Annual General Meeting of the Company. Therefore, the Board hereby recommends the appointment of M/s S.N. Dhawan & CO LLP, Chartered Accountants (Firm Registration no. 000050N/N500045), as Statutory Auditors of the Company for a period of 3 years i.e for the Financial Year 2024-25 to Financial Year 2026-27 to hold office until the conclusion of the 12th Annual General Meeting of the Company in accordance with the provisions of Section 139 of the Companies Act 2013 and Companies (Audit and Auditors) Rules read with RBI Guidelines for "Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)." In this regard, the Company has received consent letter and eligibility certificate from the proposed auditors to the effect that if their appointment is approved, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 & said RBI guidelines.

#### **b. Statutory Audit Report**

The Auditors' Report for the financial year ended March 31, 2024 contains an observation on Non-payment of Provident Fund Dues under Employees Provident Fund and Miscellaneous Provision Act 1952 for an amount of INR 4,47,931/- for the period April 2019 to July 2019 and Professional Tax Dues under Professional Tax Act 1987 for an amount of INR 71,800/- for the period April 2023 to September 2023.

The Management response on the same is:

- I. For the observation under Employees Provident Fund and Miscellaneous Provision Act 1952. The Hon'ble Supreme Court of India, vide their ruling dated 28 February 2020, set out the principles based on which certain allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed by a third party and is pending before the Supreme Court for disposal. In view of the management, pending decision on the subject review petition and directions from the EPFO, the applicability of the decisions is prospective.
- II. For the observation under Professional Tax Act 1987 the Company was unable to get its Professional Tax Registration for the state of Gujarat due to non-response from the respective department within the due timelines due to which there was delay in payment which was subsequently made on April 26, 2024.

Statutory Auditors in their report(s) on the annual audited financial statements of your Company for the financial year ended March 31, 2024, have not submitted any material qualifications, reservations, adverse remarks or disclaimers except for an observation on the Statutory dues under Employees Provident Fund and Miscellaneous Provision Act 1952 and Professional Tax Act 1987. However, clarifications wherever necessary have been included in the 'Notes to Accounts' of the Annual Report. Furthermore, a report under para 70 & 71 of the Chapter XII of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021 is attached and is self-explanatory.

### **C. Fraud Reporting**

There has been no instance of fraud reported by the Auditors under Section 143(12) of the Companies Act 2013 and the Rules framed thereunder either to the Company or to the Central Government.

### **INTERNAL AUDITORS**

As per provisions of Section 138 read with Rule - 13 of The Companies (Account) Rules 2014 and further as part of effort to evaluate the effectiveness of the Internal Control System, your Company has engaged "Grant Thornton" for assisting the company in conducting internal audit and branch audit for the financial year 2023-24.

### **SECRETARIAL AUDITORS**

As per section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every Company having loans or borrowings from banks or public financial institutions of one hundred crore rupees or more. shall annex with its Board's Report made in terms of sub-section (3) of section 134, a Secretarial Audit Report, given by a Company Secretary in practice, in form MR- 3.

Your Company has appointed **M/s. MAKS & Co., Company Secretaries** [FRN P2018UP067700] as the Secretarial Auditor of the Company for the Financial Year 2023-24.

Secretarial Audit Report provided by **M/s. MAKS & Co., Company Secretaries** [FRN P2018UP067700] is attached as **Annexure C**.

The Secretarial Auditors' Report for the Financial Year ended March 31, 2024 contain observations as under:

- a) The composition of the Internal Committee of the Company, as required under the relevant provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), is not properly constituted.

Management's Response. At Present, the Members of Internal Compliant Committee consist of two woman Employees at senior level and one male member, the Company is in the process of appointing one other member from amongst non-governmental organisations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment in order to comply with the said requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- b) During the audit period, BSE had levied penalty to the Company for delay/non-compliance of Regulation 50(2), 53(2) and 50(1) of the SEBI (LODR), 2015. The same had been discussed and noted in the Board Meeting of the Company held on February 12, 2024 and it was resolved that the Company shall apply for waiver of the said fine.

Management's Response: Though the company has made payment towards the penalty for Regulation 50(2), 53(2) and 50(1) of the SEBI (LODR), 2015. However, the Company shall apply for waiver of the fines levied under Regulation 50(2) and 50(1) of the SEBI (LODR), 2015 as the board meeting and General Meeting held on shorter notice period and the intimation for the same was done to the Stock Exchange simultaneously.

### **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The remuneration paid to the Directors & Key Managerial Personnel ("KMP") of the Company is in accordance with the applicable provisions of the Companies Act, 2013. The details of the remuneration of Directors & KMP are provided in Form MGT-7 (Annual Return) which is hosted on the website of the Company and can be accessed therefrom.

Further, during the year, there is no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company.

## **PARTICULARS OF LOANS GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Your Company is a Housing Finance Company (HFC), hence, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business, are exempted as per the provisions of Section 186(11) of the Companies Act, 2013. Further, disclosures regarding loans and advances given to Directors & Senior Officers of the Company are given in **Annexure D** of this Report.

## **DISCLOSURES PERTAINING TO RBI GUIDELINES**

### **a. Risk Management**

Your Company has set up a strong operating framework and developed robust credit appraisal policies to evaluate income and repayment capabilities of customers. The Company continues to practice prudence in terms of its lending practices and uses effective checks and balances to mitigate risk exposure. This includes a credit history check from credit bureau data and employment business and residence check through personal discussions and in-house legal technical and fraud checks.

Company's Risk Management framework provides the mechanism for risk assessment and mitigation. The Board has delegated responsibility of overseeing Risk Management framework to the Risk Management Committee. The Risk Management Committee (RMC) of your Company comprises of Ms. Kaajal Aijaz Ilmi Managing Director & CEO; Ms. Sannovanda Machaiah Swathi, Independent Director; Mr Satish Bansal, Chief Risk Officer, Mr Amit Srivastava, Chief Collection, Operations & Vigilance Officer; Mr. Gaurav Sahai, Chief Technology Officer and Ms. Divya Abhishek, Independent Director of the Company. The Risk Management Committee will be responsible for reviewing the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same.

### **b. Guidelines on Corporate Governance**

In line with adoption of best practices and greater transparency in the operations of the Company and in compliance with the directions issued by Reserve Bank of India (RBI) under Chapter IX of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021, the Board of Directors of the Company had approved and adopted the “Internal Guidelines on Corporate Governance”. The said Guidelines are available on the website of the Company at [www.aviom.in](http://www.aviom.in).

### **c. Information pursuant to para 44 of Chapter VII of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021**

- the total number of accounts of public deposit of the company which have not been claimed by the depositors or not paid by the company after the date on which the deposit became due for repayment – **Not applicable.**
- the total amount due under such accounts remaining unclaimed or unpaid beyond the date referred as aforesaid – **Not applicable.**

### **d. Information pursuant to para 68 of Chapter XI of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021**

- The total number of non-convertible debentures which have not been claimed by the Investors or not paid by the housing finance company after the date on which the non-convertible debentures became due for redemption – NIL.
- The total amount in respect of such debentures remaining unclaimed or unpaid beyond the date referred as aforesaid – NIL

### **e. Disclosure pursuant to para 7 of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021**

In line with the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021, the Company has made necessary disclosures as required in the Corporate Governance Section as per the format prescribed in the para 7 of Annex IV of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021.

The Corporate Governance Report is enclosed as **Annexure E** and forms an integral part of this Report.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Your Company has adopted a Whistle Blower Policy as part of HR Policy and established a mechanism for Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct. The mechanism also provides for adequate safeguard against the victimisation of employees who avail the mechanism.

The Company has a vigil mechanism to deal with instance of unethical practices, fraud and mismanagement, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and any leak/suspected leak of Unpublished Price Sensitive Information or gross misconduct by the employees of the Company, if any, that can lead to financial loss or reputational risk to the organization. The detail of the Whistle Blower Policy has been posted on the website of the Company & can be accessed through the link <https://aviom.in/index.php>.

The company has not received any whistle blower complaint during the year under review.

## **INTERNAL FINANCIAL CONTROLS**

The Company has proper and adequate system of internal control geared towards achieving efficiency in its operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations.

The Company has continued its efforts to align its processes and controls with best practices and has put in place a process wise internal control framework across the Company. The Internal Auditors of the company conduct audits of various departments based on an annual audit plan covering key area of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. There was no material event recorded subsequent to the date of financial statement.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION PROHIBITION AND REDRESSAL) ACT 2013**

The Company has formed an Prevention-of-Sexual Harassment Policy ('POSH Policy') in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention Prohibition and Redressal) Act 2013. Internal Complaints Committee (ICC) has been set-up to redress complaints received regarding sexual harassment.

The Internal Complaint Committee of your Company consists of following Members:

#	Name of the Member	Designation
1	Ms Kaajal Aijaz Ilmi	Chairperson
2	Mr Shashi Chandra	Member
3	Ms Divyani Chand	Member

*Note: Mr. Amit Arora has resigned from the Company w.e.f March 16, 2024, therefore he has ceased to be a member of the Committee.*

During the financial year 2023-24, the Company had received NIL complaints on sexual harassment at the workplace.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act 2013, the Directors to the best of their knowledge and belief confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the Annual Accounts on a going concern basis; and
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws while ensuring

that such systems were adequate and operating effectively.

## **ENERGY CONSERVATION TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

### **Conservation of Energy and Technology Absorption**

Since the Company is a Home-Loan provider and did not carry out any activity relating to conservation of energy, or technology absorption during the year., therefore, the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

### **Foreign Exchange Earnings and Outgo**

The Foreign Exchange earned and the Foreign Exchange outgo during the year are as below:

	<b>For the Financial year ended as on March 31, 2024 (Amt in crores)</b>	<b>For the Financial year ended as on March 31, 2023 (Amt in crores)</b>
Actual Foreign Exchange earnings	Nil	Nil
Actual Foreign Exchange outgo	10.78	1.59

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Board of Directors affirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (SS1 and SS2) respectively relating to Meetings of the Board, its committees and the General Meetings.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with the applicable provisions of the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 ("the RBI HFC Master Directions 2021"), a detailed note on the operational and financial performance is given in the "Management Discussion and Analysis Report" which is annexed to this Report as **Annexure F**.

## **DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**The information required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

Names of the top ten employees in terms of remuneration drawn and name of every employee who:

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore and two lakh rupees;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Eight lakh and Fifty thousand rupees per month.

Name	Age	Designation	Remuneration received	Qualification	Experience	Date of commencement of employment	Last employment held by such employee before joining the company	Nature of Employment (Contractual or otherwise)	Percentage of equity shares held by the employee in the company	whether any such employee is a relative of any director or manager of the company
Kajal	54	CEO	44550000	Postgr	21	18-02-2016	DLF	Full time	20.95%	NA



Aijaz Ilmi		and MD		aduate			PVR	Employment		
Satish Bansal	43	Chief Risk Officer	10299289	CA	18	14-02-2019	Tata Capital Housing	Full time Employment	-	NA
Amit Srivastava	44	Chief Collection and Vigilance Officer	9201810	MBA	16	16-10-2020	Bajaj Finance Ltd	Full time Employment	-	NA
Amit Kumar	44	Chief Sales Officer - North	9083333	BCOM	19	01-05-2020	PNB HOUSING FINANCE LTD	Full time Employment	-	NA
Amit Arora	40	Chief Financial Officer	8650000	CA	13	8-01-2023	Hero Housing Finance	Full time Employment	-	NA
Gaurav Sahai	41	Chief Technology Officer	7000000	B Tech	16	17-05-2022	Virtusa	Full time Employment	-	NA
Saroj Ahuja	79	Educator	4834200	B Ed	35	15-12-2021	D.A.V Public School	Full time Employment	-	NA
Kapila Mehra	41	Chief Manager - Finance	3152200	MCO M	16	01-12-2017	SAIJA Finance Pvt Ltd	Full time Employment	-	NA
Aravind K	45	Zonal Credit Manager	3134700	MBA	22	01-07-2020	Altum Credo Home Finance Pvt Ltd	Full time Employment	-	NA
Divyani Chand	32	Chief Compliance Officer & Company Secretary	3075001	CS	8	01-03-2019	Art Housing Finance	Full time Employment	-	NA

#### **COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

#### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

During the year under review, there was no application filed by or against the Company for corporate insolvency process under IBC before the NCLT.

#### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the Financial Year under review, no such event took place.

**ACKNOWLEDGEMENT**

Your director's take this opportunity to express their sincere gratitude to the customers of AVIOM for their confidence and patronage; to the shareholders regulatory bodies bankers and rating agencies for their unyielding support and guidance; and to the employees for their commitment hard work and zeal during the year.

*By the Order of the Board of Directors*

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
AVIOM INDIA HOUSING FINANCE LIMITED



A handwritten signature in blue ink, appearing to read "Kaajal Aijaz Ilmi", written over the typed name and title.

Date: May 21, 2024  
Place: New Delhi

**KAAJAL AIJAZ ILMI**  
Managing Director & CEO  
DIN: 01390771  
Address: E-87, 2ND FLOOR,  
Paschimi Marg, Western Side, Vasant  
Vihar, New Delhi- 110057

**KUNAL SIKKA**  
Director  
DIN: 09082591  
Address: 10540 NE  
25TH ST  
BELLEVUE, WA  
98004-2228, USA

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES**

**1. Brief outline on CSR Policy of the Company:**

The Company has adopted its CSR Policy as approved by Board of the Company at the Board Meeting held on September 21, 2022 in accordance with the provisions under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 ("the Act").

At AVIOM India Housing Finance Private Limited, we intend to make a positive difference to society and contribute our share towards the social cause for betterment of society. Under CSR Activities, the Company undertakes activities mentioned in Schedule VII of the Act, such as Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care; Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga, Training to promote Rural sports, Nationally recognized sports, Paralympic sports and Olympic sports; Contributions to public funded Universities and Institutions; and Rural development projects and Slum area development etc.

As per the requirement, the CSR Project undertaken by the Company falls within the areas as specified in the Schedule VII of the Companies Act, 2013.

As per Section 135(5) of the Companies Act, 2013, Company is required to spend, in every financial year, at least 2% of the average net profits of the company made during the 3 immediately preceding financial years on CSR activities.

- 2. Composition of CSR Committee:** As per Section 135 (9) of the Companies Act, 2013, where the amount to be spent by a company under CSR obligation does not exceed INR 50 Lakh (Indian Rupees Fifty Lakh), the requirement for constitution of the Corporate Social Responsibility Committee as specified under sub-section 135(1) shall not be required and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the Company.

The CSR obligation of the Company for the Financial Year 2023-24 was Rs 27,05,105/- (Indian Rupees Twenty Seven Lakhs Five Thousand One Hundred and Five Only), therefore, in line with the above provision, the requirement for constitution of the Corporate Social Responsibility Committee was not applicable on the Company and the functions of the Committee has been discharged by the Board.

- 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:** The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company on [www.aviom.in](http://www.aviom.in).

**4. Provide the executive summary along with web link(s) of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 , if applicable:**

The CSR obligation of the Company did not exceed the prescribed threshold limit of ten crore rupees or more in pursuance of Section 135(5) of the Companies Act, 2013. Thus, the impact assessment of CSR Projects, in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the Company.

5. (a) Average net profit of the Company as per section 135(5): Rs. 13,52,55,225/-  
 (b) Two percent of average net profit of the company as per Section 135(5): Rs. 27,05,105/-  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: NIL  
 (d) Amount required to be set off for the financial year, if any: NIL  
 (e) Total CSR obligation for the financial year {(b)+(c)-(d)}: Rs. 27,05,105/-
6. (a) Amount spent on CSR Project (both Ongoing Project and other than Ongoing Project): Rs. 27,05,105/-  
 (b) Amount spent in administrative overheads: N.A  
 (c) Amount spent on Impact Assessment, if applicable: N.A  
 (d) Total amount spent for the Financial Year [(a+b+c)]: Nil  
 (e) CSR Amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
27,05,105	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

S. No	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 27,05,105/-
(ii)	Total amount spent for the Financial Year	Rs. 27,05,105/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in unspent CSR Account under Section 135(6)(in Rs.)	Amount Spent in The Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per Second proviso to sub-Section (5) of Section 135, if any		Amount remaining to be spent in Succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (In Rs.)	Date of Transfer		
<b>NIL</b>								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

i. Yes

ii. No ✓

If Yes, enter the number of Capital assets created/ acquired.	N. A
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Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S.No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the Property or Asset (s)	Date of Creation	Amount of CSR amount Spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office /Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries).

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section135: Not Applicable



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
AVIOM INDIA HOUSING FINANCE LIMITED

Date: May 21, 2024

Place: New Delhi

*[Handwritten Signature]*  
KAAJAL AIJAZ ILMI  
Managing Director & CEO

DIN: 01390771

Address: E-87, 2ND FLOOR, Paschimi Marg,  
Western Side, Vasant Vihar, New Delhi-  
110057

*[Handwritten Signature]*

KUNAL SIKKA

Director

DIN: 09082591

Address: 10540 NE 25TH ST BELLEVUE, WA  
98004-2228, USA

**AVIOM INDIA HOUSING FINANCE PRIVATE LIMITED**

<b>Name of Policy</b>	Related Party Policy
<b>Date of Approval</b>	February 21, 2022
<b>Date of Review</b>	August 10, 2023
<b>Prepared By</b>	Secretarial Department
<b>Proposed By</b>	Ms Divyani Chand, Company Secretary
<b>Approving Authority</b>	Board of Directors
<b>Version</b>	February 2022

## RELATED PARTY TRANSACTION POLICY

### **1. INTRODUCTION**

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of AVIOM and its shareholders. AVIOM does not promote any transaction which may be at variance with the established principles of Corporate Governance, or which do not meet the highest standard of ethics or integrity.

In terms of the provisions of Section 188 of the Companies Act, 2013, the Company is required to follow the procedure as prescribed for conducting the Related Party Transactions. Also, National Housing Bank (NHB) has prescribed that Housing Finance Companies (HFCs) should evolve a Related Party Transaction Policy (Policy) and share the same in public domain.

### **2. APPLICABILITY**

AVIOM shall enter into any contract or arrangement with a related party only post consent of the Board of Directors given by a resolution at a meeting of the Board with respect to—

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the company

However, a transaction entered into by AVIOM in its ordinary course of business other than transactions which are not on an arm's length basis shall not be covered under the ambit of the Policy.

### **3. OBJECTIVES**

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between AVIOM and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of AVIOM and its shareholders and to comply with the statutory provisions in this regard.

#### 4. DEFINITIONS

In this Policy, unless the context otherwise requires, following are the definitions:

- 4.1 **“Act”** means Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 4.2 **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest
- 4.3 **“Board”** means the Board of Directors of the Company.
- 4.4 **“Committee”** means Audit Committee of the Company as constituted or reconstituted by the Board.
- 4.5 **“Company”** means AVIOM India Housing Finance Private Limited.
- 4.6 **“Directors”** means Directors appointed by the Board including executive, non-executive and independent directors.
- 4.7 **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- 4.8 **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 4.9 **“KMP” or “KMPs”** means the following key managerial personnel:
- a. Chief Executive Officer and / or Managing Director or Manager of the Company;
  - b. Chief Financial Officer of the Company;
  - c. Company Secretary of the Company;
  - d. Whole Time Director of the Company; and
  - e. Such other officer of the Company as may be decided by the Nomination and Remuneration Committee.
- 4.10 **“Member”** means a Director of the Company appointed as member of the Committee.
- 4.11 **“Material Related Party Transaction”** means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company “



4.12 **“NHB Guidelines”** means and includes NHB Act, 1987, NHB Directions, 2010, NHB Notifications, Circulars and other such communications thereto

4.13 **“Relative”** with reference to a Director or KMP means persons as defined under the Companies Act, 2013 and rules prescribed thereunder as below

**“Related Party”** have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

4.14 **“Related Party Transaction”** have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and **Section 188 of the Companies Act 2013** means transfer of resources, services or obligations between a Company/listed entity and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services, property;
- f. Such related party’s placement to any office or place of profit in which the company, its subsidiary company or associate entity
- g. underwriting the subscription of any securities or derivatives thereof, of the company

4.15 **“Senior Management Personnel / Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional and departmental heads.

## 5. INTERPRETATION

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or NHB Act, 1987, NHB Directions, Notifications, Circulars or guidelines as may be amended from time to time shall have the meaning respectively assigned to them therein.

## 6. DEALING WITH RELATED PARTY TRANSACTION

6.1 Each Director and Key Managerial Personnel is responsible for providing advance notice to the Board or Audit Committee of any potential Related Party Transaction involving himself/herself or their relatives, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the

disclosure of Interest; and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy

- 6.2 The Notice of any potential Related Party transaction shall be intimated to the Board/ Committee, well in advance so that the Board/ Committee have adequate time to review the transaction.
- 6.3 All related party transaction shall require prior approval of the Audit Committee / Board, however, in cases where transaction has been done inadvertently or due to requirement of urgency the Audit Committee / Board may ratify the decision. However, this ratification should be done within 3 months of the contract having taken place otherwise the transaction shall be voidable at the option of Board / Committee.
- 6.4 While considering any transaction, the Committee / Board shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. No member of the Committee / Board shall be present during the period the transaction related to the transaction
- 6.5 Audit Committee shall review , at least on a quarterly basis, the details of Related Party Transaction entered in to by AVIOM pursuant to each of the approval given. Approval given by the Audit Committee shall be valid for till revoked.
- 6.6 Related Party Transaction with are either not in the 'Ordinary Course of Business' or are not at 'arm's length price' and exceeds the threshold under section 188 of the companies Act, 2013 shall also require prior approval of the shareholders through special resolution.
- 6.7 No members of the Company shall vote in a special resolution where related party contract or arrangement is being considered if such a member is a Related Party in Contract or Arrangement which is being considered.

## **7. POLICY REVIEW AND AMENDMENT**

- 7.1 The provisions of this policy shall be subject to the provisions of the Act & NHB guidelines and rules and regulations made thereunder.
- 7.2 The policy shall be reviewed by the Board from time to time as may be necessary and may be amended or modified either whole or in part as and when necessary.
- 7.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

## 16. DISCLOSURE

The Company shall disclose the particulars of contracts or arrangements entered with the Related Parties in such form and manner as may be required under the provisions of the Act and rules made thereunder.

The details of this policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of the Board's Report therein and shall also be displayed on the website of the Company.

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**MAKS & CO.**

Company Secretaries

FRN: P2018UP067700

O: 516, Wave Silver Tower, Sector 18, Noida – 201301  
E: [services@forecoreprofessionals.com](mailto:services@forecoreprofessionals.com)

**MR-3**  
**Secretarial Audit Report**  
For the Financial Period Ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Aviom India Housing Finance Private Limited**

Regd. Office: Worldmark 3, Unit 306A, 3rd Floor,  
Asset Area No. 7, Hospitality District, Delhi Aerocity,  
Near Indira Gandhi International Airport,  
New Delhi-110037

[CIN: U65993DL2016PTC291377]

We have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Aviom India Housing Finance Private Limited** ('the **Company**') for the financial year ended on March 31, 2024 . The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. It is also noted that the Company is a Housing Finance Company ("**HFC**") registered with National Housing Bank ("**NHB**") under Section 29A of the National Housing Bank Act, 1987. The Non-Convertible Debentures ("**NCDs**") of the Company issued on private placement basis are listed on BSE Limited. Further, during the year, the Company had also raised secured, listed United States Dollars denominated Bonds which were listed at India International Exchange, (GIFT City), Gandhi Nagar, Gujarat post closure of Financial Year.

**Limitation of the Auditors**

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors Responsibility**

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

- (ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanism exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board processes and compliance-mechanism.

The Members are requested to read Secretarial Audit Report ("Report") along with our letter dated May 01 , 2024 an enclosed herewith to this Report as **Annexure – A**.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial period ended on March 31, 2024 according to the applicable provisions of:
  - i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
  - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;(not applicable to the Company )
  - iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
  - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
  - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not applicable to the Company during the audit period*);
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations");
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (*Not applicable to the Company during the audit period*);
    - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company during the audit period*);
    - e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
    - f) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with clients (*Not*

*applicable since the Company is not registered as Registrar to an issue and Share Transfer Agent during the audit period);*

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (*Not applicable to the Company during the audit period*).
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company during the audit period*); and
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Based upon the Management Representation wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the pertinent laws, rules, regulations and guidelines as specifically applicable to the Company relating to Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company.
2. We have relied upon the representation made by the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company for compliances of other applicable Act, Laws and Regulations specifically applicable to the Company including labour laws.
3. We have also examined compliance with the applicable clauses of the following:
- i) Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'). We noted that the Company is generally complying with the Secretarial Standards; and
  - ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "**SEBI LODR 2015**") relating to debt listed and the Listing Agreements entered into by the Company with BSE Limited ("**BSE**" or "**the Stock Exchange**"). However, we have observed that in few instances there were delay in intimations to BSE by the Company.
  - iii) International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021 and Circular issued from time to time in this regard. (*Not applicable to the Company during the audit period* except for obtaining No Comments Letter for Listing of Bonds on Global Securities Market of India International Exchange (IFSC) Limited .
4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been *generally* complying with the provisions of the Acts, Rules, Regulations, Secretarial Standards, RBI Regulations NHB Directions or Guidelines, as applicable, and the Listing Agreement entered with the BSE Limited.
5. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

6. We report following observations:

- (a) *During audit period, it has come to notice that the composition of the Internal Committee of the Company ("IC"), as required under the relevant provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), is not properly constituted.*
- (b) *During the audit period, BSE had levied penalty to the Company for delay/non-compliance of Regulation 50(2), 53(2) and 50(1) of the SEBI (LODR), 2015. The same had been discussed noted in the Board Meeting of the Company held on February 12, 2024 and it was resolved that the Company shall apply for waiver of the said fine.*

7. We further report that:

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Board also has a woman director. The changes in composition of the Board of Directors took place during the period under review and was carried out in compliance of the provisions of the Companies Act, 2013 . Further, the Company had received necessary approval from RBI w.r.t. appointment of Director in the Company including acquisition/transfer of more than 26% of Paid-Up Capital of the Company as required in terms of Master Direction issued by RBI to Housing Finance Company .
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance of the meeting. The Board/Committee Meetings were held on shorter notice and the same was conducted generally in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Decisions of Board/Committee were carried through majority. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iii) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

8. We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- (a) The Board of Directors of the Company post shareholders approval had issued and allotted, following securities during the audit period:
  - (i) 4,902 (Four thousand Nine Hundred and Two) rated, unlisted, secured, senior, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees ("INR") having a face value of INR 50,000 (Indian Rupees Fifty Thousand) each at an aggregate face value of INR 24,51,00,000 (Indian Rupees Twenty Four Crore Fifty One Lakh) on a private placement basis vide circular resolution dated July 07,2023.

- (ii) 6,000 (Six thousand) rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian Rupees ("INR"), having a face value of INR 1,00,000 ( Indian Rupees One Lakh) each and an aggregate face value of INR 60,00,00,000 (Indian Rupees Sixty Crore) ("Debentures"), issued on a private placement basis vide circular resolution dated January 31,2024.
- (iii) 43,80,841/- ( Forty Three Lacs Eighty Thousand Eight Hundred Forty One) Compulsorily Convertible Preference Shares (CCPS), (Series D) at RS. 171.20/- per share aggregating to Rs. 74,99,99,979.20 ( Rupees Seventy Four Crore Ninety Nine Lacs Ninety Nine Thousand Nine Hundred Seventy Nine and Twenty paise Only ) to Teachers' Insurance and Annuity Association of America ("TIAA"), the existing shareholder on Private Placement Basis vide circular resolution dated November 06,2023.
- (iv) 500 (Five Hundred) secured, listed USD denominated bonds having a face value of USD 10,000 (USD Ten Thousand only) each, aggregating up to USD 5,000,000 (United States Dollars Five Million only) ("**Bonds**"), on a private placement basis vide circular resolution dated March 01,2024 ( Allotment made on Feb 29, 2024).
- (v) (iv) 1000 (One Thousand) secured, listed united states dollars denominated bonds having a face value of USD 10,000 (United States Dollars Ten Thousand only) each, aggregating up to USD 10,000,000 (United States Dollars Ten Million only) ("**Bonds**"), on a private placement basis vide circular resolution dated April 09,2024( Allotment made on March 28, 2024)
- (vi) (v) 170 (One Hundred Seventy) secured, listed united states dollars denominated bonds having a face value of USD 10,000 (United States Dollars Ten Thousand only) each, aggregating up to USD 17,00,000 (United States Dollars One Million and Seven Hundred Thousand only) ("**Bonds**"), on a private placement basis vide circular resolution dated April 06,2024. ( Allotment made on March 28, 2024)

*(\*Bonds are listed at India International Exchange, (GIFT City), Gandhi Nagar, Gujarat .)*

- (b) As per the terms of the Share Purchase Agreement dated May 04, 2023 and in accordance with the Articles of Association, the Board of Directors of the Company upon receipt of request from existing shareholders, Gojo & Company, Inc ("Gojo") and Capital 4 Development Asia Fund Cooperatief U.A, ("Capital 4"), in their meeting held on October 27, 2023 had approved conversion of 62,73,325 Series B Compulsorily Convertible Preference Shares ('CCPS') held by Gojo to 46,00,437 equity shares of the company and 11,94,021 CCPs held by Capital4 to 8,75,615 equity shares of the Company.

Subsequently, these equity shares held by Gojo and Capital4 were transferred to Teachers Insurance and Annuity Association of America ("TIAA"), the existing shareholders.

- (c) In terms of Warrant Subscription Agreement ("WSA") dated July 24, 2023, the Board of Directors of the Company post shareholders approval had issued 22,38,600 (Twenty Two Lakhs Thirty Eight Thousand and Six Hundred) Share Warrants to Ms. Kaajal Aijaz Ilmi ("Promoter") on preferential allotment basis in accordance with the terms as contained in WSA.
- (d) The Company had received necessary approval from RBI w.r.t. appointment of Director in the Company including acquisition/transfer of more than 26% of Paid-Up Capital of the Company as required in terms of Master Direction issued by RBI to Housing Finance Company .



- (e) The Company had during FY 2022-23 received email dated September 28, 2022 from BSE w.r.t. fines levied under Regulation 57 (1) of SEBI (LODR). In this regard, the company submitted its reply to BSE vide its letter dated September 28, 2022 requesting to waive off the fines levied citing reasons and justification. Accordingly, BSE vide its email communicated to the Company that waiver of fines has been approved by the "Request Review Committee for Waiver of Fines Levied under Standard Operating Procedure (SOP)".
- (f) In terms of Para 4.1.17 of RBI Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI vide its email had advised the company to provide explanation on non-compliance with Principal Business Criteria (PBC) specified for HFCs as on 31.03.2023. The Company had sent detailed reason and its commitment to meet targeted PBC ratio of 60% (as percentage of total assets towards housing finance) by March 31, 2024 as prescribed in the Master Direction. RBI post receipt of the reply condone the non-compliance with Principal Business Criteria (PBC) specified for HFCs as on 31.03.2023, subject to the condition inter- alia that it shall comply with the PBC for HFCs by March 31, 2024 as per the timelines submitted, failing which the HFC would be liable for appropriate regulatory action.

The Board of Directors of the Company in their meeting held on March 19, 2024 noted that the Company has comply with the PBC Criteria, achieving a PBC of 61.34% before the deadline given by RBI i.e. March 31, 2024.

**For M/s. MAKS & Co.,**  
**Company Secretaries**  
[FRN P2018UP067700]  
Peer Review No.: 2064/2022

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**Shailesh Kumar Singh**  
**Partner**  
Membership No.: F8619  
Certificate of Practice: 16235  
UDIN: F008619F000285566

**Date:** May 01, 2024  
**Place:** Noida (U.P.)

**Annexure –A to Secretarial Audit Report dated May 01, 2024**

To,

**The Members,  
AVIOM INDIA HOUSING FINANCE PRIVATE LIMITED**  
Regd. Office: Worldmark 3, Unit 306A, 3rd Floor,  
Asset Area No. 7, Hospitality District, Delhi Aerocity,  
Near Indira Gandhi International Airport,  
New Delhi-110037

[CIN: U65993DL2016PTC291377]

The Secretarial Audit Report dated May 01, 2024 is to be read with this letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Aviom India Housing Finance Private Limited ('the **Company**') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.
5. We have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. MAKS & Co.,  
Company Secretaries**  
[FRN P2018UP067700]  
Peer Review No.: 2064/2022

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KUMAR SINGH

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**Shailesh Kumar Singh  
Partner**

Membership No.: F8619  
Certificate of Practice: 16235  
UDIN: F008619F000285566

**Date:** May 01, 2024  
**Place:** Noida (U.P.)



**DISCLOSURES PURSUANT TO THE RBI'S SCALE BASED REGULATION ON LOANS & ADVANCES TO DIRECTORS, SENIOR OFFICERS AND THEIR RELATIVES**

**LOANS TO DIRECTORS, SENIOR OFFICERS\* AND RELATIVES OF DIRECTORS**

<b>Details</b>	<b>Current Year FY 2023-24</b>	<b>Previous Year FY 2022-23</b>
Directors and their relatives	<b>Advance:</b> Given during the year: Nil Repaid during the year: INR 64.50 Lakhs O/S balance as on 31.03.24: 126.34	<b>Advance:</b> Given during the year: Nil Repaid during the year: INR 43.00 Lakhs O/S balance as on 31.03.23 : INR 155.01 Lakhs
Entities associated with directors and their relatives	Nil	Nil
Senior Officers and their relatives	<b>Advance:</b> Given during the year: INR 122.00 Lakhs Repaid during the year: INR 46.10 Lakhs O/S balance as on 31.03.24: INR 71.44 Lakhs	<b>Advance:</b> Given during the year: INR 60.00 Lakhs Repaid during the year: INR 1.42 Lakhs O/S balance as on 31.03.23: INR 42.27 Lakhs

\*Senior Officer shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

## CORPORATE GOVERNANCE REPORT

## 1.1 COMPOSITION OF BOARD OF DIRECTORS:

S.No	Name of Director <sup>1</sup>	Capacity (i.e. Executive/ Non-Executive/Chairman/Promoter/nominee/Independent)	DIN	Director Since	Number of Board Meetings		Number of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the HFC
					Meetings held	Meeting attended		Salary And other compensation	Sitting Fee	Commission	
1.	Ms. Kaajal Aijaz Ilmi	Managing Director & CEO (Promoter)	01390771	18/2/2016	8	8	3	Salary: INR 2,85,50,000/-  Other Compensation: INR 1,60,00,000/-	-	-	1,01,81,000 Equity shares  22,38,600 (Warrants Issued. The same shall be converted into Equity post the receipt of the entire subscription Amount)
2	Mr. Kunal Sikka	Non- Executive Director (Promoter)	09082591	25/2/2021	8	7	0	-	-	-	20,00,000 equity shares
3	Ms. Sannovanda Machaiah Swathi	Independent Director	06952954	21/2/2022	8	8	4	-	7,74,000	-	0
4	Mr. Stephen Dongwon Lee <sup>2</sup>	Non-Executive Nominee Director	08640160	29/5/2023	8	7	4	-	-	-	0
5.	Ms. Aashna Cacua Desai <sup>3</sup>	Non-Executive Nominee Director	10186320	09/1/2024	8	1	0	-	-	-	0
6.	Ms. Divya Abhishek <sup>4</sup>	Independent Director	08709050	12/1/2024	8	2	3	-	1,08,000	-	0

<sup>1</sup> Mr. Sanjay Gandhi & Mr. Jagannath Samavedam resigned from the position of Nominee Directors w.e.f. December 19, 2023 and March 21, 2024 respectively, therefore they were no longer the director on the board of the company as on March 31, 2024

<sup>2</sup> Mr. Stephen Dongwon Lee was appointed as the Nominee Director on the board of the Company w.e.f. May 29, 2023.

<sup>3</sup> Ms. Aashna Cacua Desai was appointed as Additional Director (Nominee Director) on the Board of the Company w.e.f. January 09, 2024 and post her appointment, she attended only 1 board meeting held on February 12, 2024 till agenda Item no. 5.

<sup>4</sup> Ms. Divya Abhishek was appointed as Additional Director (Independent Director) on the board of the Company w.e.f. January 12, 2024.

**DETAILS OF CHANGE IN COMPOSITION OF THE BOARD DURING THE CURRENT AND PREVIOUS FINANCIAL YEAR:**

Financial Year 2023-24				
S.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/Chairman/ nominee/Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr. Stephen Dongwon Lee	Non-Executive Nominee Director	Appointment	May 29, 2023
2.	Mr. Sanjay Ganshi	Non-Executive Nominee Director	Resignation	December 19, 2023
3.	Ms. Aashna Cacu Desai	Non-Executive Nominee Director	Appointment	January 09, 2024
4	Ms. Divya Abhishek	Independent Director	Appointment	January 12, 2024
5	Mr. Jagannath Samavedam	Non-Executive Nominee Director	Resignation	March 21, 2024

Financial Year 2022-23				
S.No	Name of Director	Capacity (i.e., Executive/ Non-Executive/Chairman/ Promoter nominee/Independent)	Nature of change (resignation, appointment)	Effective date
1.	Mr Arvind Kumar Agarwal	Non-Executive Nominee Director	Resignation	December 21, 2022

**DETAILS OF ANY RELATIONSHIP AMONGST THE DIRECTORS INTER-SE:**

The directors are duly appointed either through assessment by the Nomination and Remuneration Committee or on basis of the Nomination received from the Investors appointing their Nominee Director of the Board of the Company and further, recommended to the Board of Directors to approve their appointment, subject to the approval of the shareholders in general meeting.

Except as shown in the table below, the directors do not have any relationship with each other.

Name of Directors	Relationship amongst the directors inter-se
Ms. Kaajal Aijaz Ilmi & Mr. Kunal Sikka	Sister & Brother

## 1.2 COMMITTEES OF THE BOARD

The Board has constituted various committees to facilitate focused attention on important issues.

Following are the Details of Committees including their composition, number of meetings held during the year under review, attendance and terms of reference.

#	NAME OF THE COMMITTEE	DATE OF CONSTITUTION	TERMS OF REFERENCE OF THE COMMITTEE
1	Audit Committee	February 21, 2022	<ol style="list-style-type: none"> <li>1. Periodical discussion with the auditors about internal control systems, scope of audit, which include observations of the auditors.</li> <li>2. Ensure the compliance of internal control system.</li> <li>3. Power to recommend on any matter relating to financial management including the Auditors' Report and such recommendation shall be binding on the Company, failing which, the Board shall accord the reasons thereof and communicate the same to the shareholders.</li> <li>4. Make request to the Statutory Auditors, the internal auditors and the Chief Financial Officer of the Company to attend and the aforesaid shall participate at Meetings of the Audit Committee, without right to vote.</li> <li>5. Review with Management the half-yearly/annual financial statement before submission to the Board, focusing primarily on; <ol style="list-style-type: none"> <li>A. Any changes in accounting policies and practices,</li> <li>B. Major accounting entries based on exercise of judgment by the management,</li> <li>C. Qualifications in draft audit report,</li> <li>D. Significant adjustment arising out of audit,</li> <li>E. The going concern assumption.</li> </ol> </li> <li>6. Compliance with accounting standards and legal requirement relating to financial statements.</li> <li>7. Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.</li> <li>8. Matters to be included in Director's Responsibility Statement as per Companies Act.</li> <li>9. Power to investigate within the terms of reference and shall have full access to the information contained in the records of the Company and external professional advice, if necessary.</li> <li>10. Approval of payment to statutory auditors for any other services rendered by them.</li> <li>11. Reviewing with the Management, performance of statutory and internal auditors, adequacy of the internal control systems and a dequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.</li> <li>12. Discussion with internal auditors any significant findings &amp; follow up thereon and findings of any internal investigations by the internal auditors into matters where there is suspected fraud/ irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.</li> <li>13. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.</li> <li>14. To review Management letters issued by the Statutory Auditors and internal audit reports relating to internal control weaknesses.</li> </ol>
2	Nomination & Remuneration Committee	February 21, 2022	<ol style="list-style-type: none"> <li>1. Carrying out evaluation of every Director's performance.</li> <li>2. Recommendation to the Board a policy, relating to the remuneration for the Directors, key managerial personnel; reviewing AVIOM's overall compensation structure.</li> <li>3. Reviewing related policies with a view to attract, motivate and retain employees and review compensation levels vis-à-vis other Housing Finance Companies and the industry in general, ensuring the following while formulating the policy on the aforesaid matters: <ol style="list-style-type: none"> <li>(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and key managerial personnel of the quality required to run the company successfully.</li> </ol> </li> </ol>

			<p>(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</p> <p>(c) Remuneration to Directors and key managerial personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of AVIOM and its goals formulating and determining the AVIOM's policies on remuneration packages payable to the Directors and key managerial personnel including performance/ achievement bonus, perquisites, retinals, sitting fees, etc.; considering grant of Stock Options to employees including: functioning as the Compensation Committee as prescribed under the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and is authorized to allot shares pursuant to exercise of Stock Options by employees; and to perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws as may be prescribed from time to time.</p>
3	Asset Liabilities Management Committee	January 24, 2018	<ol style="list-style-type: none"> <li>1. The Asset Liability Management Committee is constituted to manage the integrated risks with regard to asset &amp; liability of the Company.</li> <li>2. The Committee inter alia, shall monitor the asset liability gap and strategize action to mitigate the risk associated. The Committee shall mainly address liquidity and interest rate risk. The Asset Liability Management Committee shall be vested with necessary powers, which are required to achieve its objectives.</li> </ol>
4	Risk Management Committee	January 24, 2018	<ol style="list-style-type: none"> <li>3. Review and analyze risk exposure related to specific issues and provides oversight of risk across organization.</li> <li>4. Review reports of significant issues prepared by internal risk oversight functional groups, including risk exposure related to specific issues, concentrations and limits excesses.</li> <li>5. Nurture a healthy and independent risk management function in the company.</li> <li>6. Inculcate risk culture within the organization.</li> <li>7. Approve the Enterprise wide Risk Management (ERM) framework.</li> </ol>
5	Credit Committee	February 05, 2018	<ol style="list-style-type: none"> <li>1. The Credit Committee is constituted to comply with extant sanction and post- sanction processes/ procedures. The Committee shall approve sanction of all the loans of 5 lacs and above.</li> <li>2. The Committee inter alia, shall monitor the improvement in quality of credit portfolio, review of sanction process and compliance status of large loans.</li> </ol>
6	Loan Review Mechanism Committee	January 24, 2018	<ol style="list-style-type: none"> <li>1. The Loan Review Mechanism Committee is constituted to comply with extant sanction and post- sanction processes/ procedures.</li> <li>2. The Committee inter alia, shall monitor the improvement in quality of credit portfolio, review of sanction process and compliance status of large loans.</li> </ol>
7	Fair Practice Code Committee	February 05, 2018	To ensure fair and responsible practice is being followed
8	IT Strategy Committee	September 30, 2019	<ol style="list-style-type: none"> <li>1. Reviewing and amending the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance;</li> <li>2. The Committee shall work in partnership with other Board Committees and Senior Management to provide input to them.</li> <li>3. Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;</li> <li>4. Ascertaining that Management has implemented processes and practices that ensure that the IT delivers value to the business;</li> <li>5. Ensuring that IT investments represent a balance of risks and benefits and that budgets are acceptable;</li> <li>6. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;</li> <li>7. Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.</li> </ol>
9	IT Executive Committee	September 30, 2019	<ol style="list-style-type: none"> <li>1. Consider IT policies and recommend them for approval.</li> <li>2. Consider proposals for new projects for recommendation and prioritise them.</li> <li>3. Monitor performance of IT projects and suggest / consider changes.</li> </ol>



			4. Focus on operations, implementations and value delivery by IT.
10	Working Committee	September 21, 2020	<ol style="list-style-type: none"> <li>The Committee shall borrow funds in the form of terms loan, working capital loan etc for and on behalf of the Company</li> <li>The Committee shall borrow funds within the limits approved by the Board of Directors from time to time.</li> <li>The Committee shall borrow fund with Interest rate ranging from 9% - 14% p. a.</li> <li>The funds shall be borrowed for a tenure ranging from 12 months to 96 months.</li> <li>To open bank account for and on behalf of the Company and to modify or amend the authorised signatory to the banking operations.</li> <li>To delegate direct assignment, co-lending, securitization.</li> </ol>
11	Internal Complaint Committee	March 07, 2018	<ol style="list-style-type: none"> <li>Effective redressal of grievances of any complaint related to Sexual Harassment of the Company.</li> <li>The Committee shall act in accordance with the terms prescribed in the Prevention of Sexual Harassment Policy.</li> </ol>

**COMMITTEE COMPOSITION AS ON MARCH 31, 2024:**

S.No	Name of Members/ Directors	Member of Committee since	Capacity (i.e., Executive/ Non Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the HFC
				Held	Attended	
<b>AUDIT COMMITTEE <sup>5</sup></b>						
<u>1</u>	Ms Sannovanda Machaiah Swathi	February 21, 2022	Independent Director	4	4	0
<u>2</u>	Ms Kaajal Aijaz Ilmi	February 21, 2022	Executive Director	4	4	1,01,81,000
<u>3</u>	Mr Stephen Lee	May 29, 2023	Nominee Director	4	3	0
<u>4</u>	Ms. Divya Abhishek	February 12, 2024	Independent Director	4	0	0
<b>NOMINATION &amp; REMUNERATION COMMITTEE <sup>6</sup></b>						
1	Ms Sannovanda Machaiah Swathi	February 21, 2022	Independent Director	2	2	0
2	Mr Stephen Lee	May 29, 2023	Nominee Director	2	1	0
3	Ms. Divya Abhishek	February 12, 2024	Independent Director	2	<u>0</u>	0
<b>ASSET LIABILITY MANGEMENT COMMITTEE <sup>7</sup></b>						
1	Ms. Kaajal Aijaz Ilmi	January 24, 2018	Managing Director & CEO	4	4	1,01,81,000
2	Ms Sannovanda Machaiah Swathi	February 21, 2022	Independent Director	4	4	0
3	Mr Stephen Lee	May 29, 2023	Nominee Director	4	<u>3</u>	<u>0</u>
4	Mr Satish Bansal	March 27, 2019	Chief Risk Officer	4	<u>4</u>	<u>0</u>
5	Ms. Divya Abhishek	February 12, 2024	Independent Director	4	<u>0</u>	<u>0</u>
<b>RISK MANAGEMNET COMMITTEE <sup>8</sup></b>						
1	Ms. Kaajal Aijaz Ilmi	January 24, 2018	Managing Director & CEO	4	4	1,01,81,000
2	Ms Sannovanda Machaiah Swathi	February 21, 2022	Independent Director	4	4	0
3	Mr Stephen Lee	May 29, 2023	Nominee Director	4	3	<u>0</u>

4	Mr Satish Bansal	March 27, 2019	Chief Risk Officer	4	4	0
5	Mr Amit Srivastava	November 09, 2023	Chief Collection, Operations and Vigilance Officer	4	1	0
6	Mr Gaurav Sahai	November 09, 2023	Chief Technology Officer (CTO)	4	1	0
7	Ms. Divya Abhishek	February 12, 2024	Independent Director	4	0	0
<b>CREDIT COMMITTEE <sup>9</sup></b>						
1	Ms. Kaajal Aijaz Ilmi	February 05, 2018	Managing Director & CEO	0	0	1,01,81,000
2	Mr Satish Bansal	March 27, 2019	Chief Risk Officer	0	0	0
<b>LOAN REVIEW MECHANISM COMMITTEE <sup>10</sup></b>						
1	Ms. Kaajal Aijaz Ilmi	January 24, 2018	Managing Director & CEO	0	0	1,01,81,000
2	Mr Satish Bansal	March 27, 2019	Chief Risk Officer	0	0	0
3	Mr. Amit Srivastava	August 11, 2021	Chief Collection, Operations &Vigilance Officer	0	0	0
<b>FAIR PRACTICE CODE COMMITTEE</b>						
1	Ms. Kaajal Aijaz Ilmi	February 05, 2018	Managing Director & CEO	0	0	1,01,81,000
2	Mr Satish Bansal	March 27, 2019	Chief Risk Officer	0	0	0
3	Mr. Amit Srivastava	August 11, 2021	Chief Collection, Operations &Vigilance Officer	0	0	0
4	Mr. Shashi Chandra	February 05, 2018	Senior Manager-HR	0	0	0
<b>IT STRATEGY COMMITTEE</b>						
1	Ms. Sannovanda Machaiah Swathi	February 21, 2022	Independent Director	3	3	0
2	Ms. Kaajal Aijaz Ilmi	September 30, 2019	Managing Director & CEO	3	3	1,01,81,000
3	Mr. Kunal Sikka	January 28, 2021	Non-Executive Director	3	3	20,00,000
4	Mr. Gaurav Sahai	September 21, 2022	Chief Technology Officer	3	3	0
5	Ms. Divya Abhishek	February 12, 2024	Independent Director	3	1	0
<b>IT STEERING/ EXECUTIVE COMMITTEE</b>						
1	Ms Kaajal Aijaz Ilmi	September 30, 2019	Managing Director & CEO	3	3	1,01,81,000
2	Mr. Mool Raj Rana	May 29, 2023	Senior Manager- IT	3	3	0
3	Mr Gaurav Sahai	September 21, 2022	Chief Technology Officer	3	3	0
<b>WORKING COMMITTEE <sup>11</sup></b>						
1	Ms Kaajal Aijaz Ilmi	September 21, 2020	Managing Director & CEO	21	21	1,01,81,000
2	Ms Divyani Chand	September 21, 2020	Chief Compliance Officer & Company Secretary	21	21	0
3	Mr. Satish Bansal	September 21, 2022	Chief Risk Officer	21	21	0
<b>INTERNAL COMPLAINT COMMITTEE <sup>12</sup></b>						
1	Ms Kaajal Aijaz Ilmi	March 07, 2018	Managing Director & CEO Chairperson	0	0	1,01,81,000
2	Mr Shashi Chandra	July 23, 2019	Senior Manager-HR	0	0	0
3	Ms Divyani Chand	July 23, 2019	Chief Compliance Officer & Company Secretary	0	0	0

<sup>5</sup> Mr. Jagannath Samavedam (Nominee Director) resigned from the board of the Company w.e.f. March 21, 2024. Consequently, he was no longer the member of the Audit committee as on March 31, 2024

<sup>6</sup> Mr. Jagannath Samavedam (Nominee Director) resigned from the board of the Company w.e.f. March 21, 2024, Consequently, he was no longer the member of the Nomination & Remuneration committee as on March 31, 2024.

<sup>7</sup> Mr. Jagannath Samavedam, Nominee Director & Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 21, 2024 & March 16, 2024 respectively, Consequent to which, they were no longer members of the Asset Liability Management Committee as on March 31, 2024.

<sup>8</sup> Mr. Jagannath Samavedam, Nominee Director & Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 21, 2024 & March 16, 2024 respectively, Consequent to which, they were no longer members of the Risk Management Committee as on March 31, 2024.

<sup>9</sup> Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 16, 2024. Consequent to which, he was no longer the member of the Credit Committee as on March 31, 2024.

<sup>10</sup> Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 16, 2024. Consequent to which, he was no longer the member of the Loan Review Mechanism Committee as on March 31, 2024.

<sup>11</sup> Mr. Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 16, 2024. Consequent to which, he was no longer the member of the Working Committee as on March 31, 2024.

<sup>12</sup> Amit Arora, Chief Financial Officer resigned from the Company w.e.f. March 16, 2024. Consequent to which, he was no longer the member of the Internal Compliant Committee as on March 31, 2024.

### 1.3 GENERAL BODY MEETINGS

#	Type of Meeting (Annual/ Extra- Ordinary)	Date and Place	Special resolutions passed
1.	Extra-Ordinary General Meeting (EGM)	Date: May 29, 2023  Place: LGF-1, ARIA TOWER, DELHI AEROCITY, HOSPITALITY DISTRICT, NEW DELHI- 110037 VIA VIDEO CONFERENCING <b>(REGISTERED OFFICE)</b>	To Approve and Adopt The Amended Articles Of Association Of The Company
2.	Extra-Ordinary General Meeting (EGM)	<b>Date: June 26, 2023</b>  Place: LGF-1, ARIA TOWER, DELHI AEROCITY, HOSPITALITY DISTRICT, NEW DELHI- 110037 VIA VIDEO CONFERENCING <b>(REGISTERED OFFICE)</b>	To Approve Issuance Of Rated, Unlisted, Secured, Senior, Redeemable, Taxable, Transferable, Non-Convertible Debentures Denominated In Indian Rupees ("INR") To AAV Sarl (Luxembourg) And Masala Investments Sarl (Luxembourg) And To Further Approve The Draft Pas-4/ Private Placement Offer Cum Application Letter ("PPOA")
3.	Annual General Meeting	<b>Date: August 10, 2023</b>  Place: LGF-1, ARIA TOWER, DELHI AEROCITY, HOSPITALITY DISTRICT, NEW DELHI- 110037 VIA VIDEO CONFERENCING <b>(REGISTERED OFFICE)</b>	No Special Resolution passed
4	Extra-Ordinary General Meeting (EGM)	Date: October 27, 2023  Place: WORLDMARK 3, UNIT 306A, 3RD FLOOR, ASSET AREA NO. 7, HOSPITALITY DISTRICT, DELHI AEROCITY, NEAR INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI-110037 VIA VIDEO CONFERENCING <b>(REGISTERED OFFICE)</b>	Approval For Issuance of Series D CCPS And Warrants on A Preferential Allotment Basis
5.	Extra-Ordinary General Meeting (EGM)	Date: November 09, 2023  Place: WORLDMARK 3, UNIT 306A, 3RD FLOOR, ASSET AREA NO. 7, HOSPITALITY DISTRICT, DELHI AEROCITY, NEAR INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI-110037 VIA VIDEO CONFERENCING <b>(REGISTERED OFFICE)</b>	<ol style="list-style-type: none"> <li>1. To approve and adopt the amended article of association of the company</li> <li>2. Approval for issuance of certain secured, us dollar denominated bonds to Japan Asean Women Empowerment Fund SA, SICAV-SIF collectively aggregating up to USD 5 million only</li> <li>3. Approval for issuance of certain secured, listed, US dollar denominated bonds to Blueorchard impact credit s.a. SICAV-RAIF collectively aggregating up to USD 1.7 million only</li> </ol>

6.	Extra-Ordinary General Meeting (EGM)	Date: January 09, 2024 Place: WORLDMARK 3, UNIT 306A, 3RD FLOOR, ASSET AREA NO. 7, HOSPITALITY DISTRICT, DELHI AEROCITY, NEAR INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI-110037 VIA VIDEO CONFERENCING (REGISTERED OFFICE)	To approve issuance of 6,000 (six thousand) rated, listed, unsubordinated, secured, redeemable, transferable, taxable, non-convertible debentures denominated in Indian rupees having a face value of INR 1,00,000 (Indian Rupees one lakh) each and an aggregate face value of INR 60,00,00,000 (Indian Rupees Sixty Crore) on a Private Placement Basis
7.	Extra-Ordinary General Meeting (EGM)	Date: March 19, 2024 Place: WORLDMARK 3, UNIT 306A, 3RD FLOOR, ASSET AREA NO. 7, HOSPITALITY DISTRICT, DELHI AEROCITY, NEAR INDIRA GANDHI INTERNATIONAL AIRPORT, NEW DELHI-110037 VIA VIDEO CONFERENCING (REGISTERED OFFICE)	Approval For Issuance of certain secured, Listed, US Dollar Denominated Bonds to Blueorchard Microfinance Fund Collectively Aggregating Up to USD 10 Million Only

#### **1.4 DETAILS OF NON-COMPLIANCE WITH REQUIREMENTS OF COMPANIES ACT, 2013**

The Company has not defaulted in complying with the provisions of Companies Act, 2013 including with respect to compliance with accounting and secretarial standards.

#### **1.5 DETAILS OF PENALTIES AND STRICTURES**

During the Financial Year 2023-24, BSE had levied penalty on the Company of INR 5,000/- under Regulation 50 (1) for delayed intimation of Board Meeting as the board meeting was convened on shorter notice; INR 53,000/- under Regulation 53(2) for delay in submission of Annual Report and INR 5,000/- under Regulation 50 (2) for delay in intimation of Annual General Meeting ("AGM") as the AGM was convened on shorter notice.

The Company had paid the entire amount of penalty to the Stock Exchange. The same had been discussed and noted in the Board Meeting of the Company held on February 12, 2024.

Further, The Company had during FY 2022-23 received email dated September 28, 2022 from BSE w.r.t. fines levied under Regulation 57 (1) of SEBI (LODR). In this regard, the company submitted its reply to BSE vide its letter dated September 28, 2022 requesting to waive off the fines levied citing reasons and justification. Accordingly, BSE vide its email dated September 21, 2023 communicated to the Company that waiver of fines has been approved by the "Request Review Committee for Waiver of Fines Levied under Standard Operating Procedure (SOP)".

#### **REMUNERATION OF DIRECTORS**

The Details of the remuneration/ fees paid to Directors:

#	Names of Directors	Remuneration		
		Salary And other compensation	Sitting Fee	Commission
1.	Ms. Kaajal Aijaz Ilmi	Salary: INR 2,85,50,000/- Other Compensation: INR 1,60,00,000/-	-	-
2.	Ms. Sannovanda Machaiah Swathi	-	7,74,000	-
3	Ms. Divya Abhishek	-	1,08,000	-

**RELATED PARTY DISCLOSURES**

During the Financial Year under review, there are no material significant related party transactions as per the provisions of the Companies Act 2013 made by the Company with Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013 and hence the Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 required to be given in the prescribed form AOC-2 is not applicable.

In line with the requirements of the Act and the directions issued by the RBI, the Company has formulated a policy on Related Party Transactions, which describes the transactions requiring requisite approvals, reporting and disclosures of transactions between the Company and its related parties. The said policy has also been uploaded on the Company's website [www.aviom.in](http://www.aviom.in) and it also forms part of this Board's Report.

Further it is confirmed that except as provided under notes to accounts, none of the directors had any pecuniary relationship or transactions with the Company during the year under review.

Date: May 21, 2024

Place: New Delhi



**KAAJAL AIJAZ ILMI**  
Managing Director & CEO  
DIN: 01390771

**Address:** E-87, 2ND FLOOR, Paschimi Marg,  
Western Side, Vasant Vihar, New Delhi- 110057

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
AVIOM INDIA HOUSING FINANCE LIMITED**

**KUNAL SIKKA**  
Director  
DIN: 09082591

**Address:** 10540 NE 25TH ST BELLEVUE, WA 98004-  
2228, USA

Management Discussion and Analysis 2023-24

Industry structure and developments.

In terms of development and maturity, the Indian financial sector has recently exhibited an encouraging trend. The amount of outstanding mortgage loans has increased by a healthy 16 per cent over the past 5 fiscal years. Rising disposable income, strong demand, and an increase in new competitors joining the market have been the main drivers of this trend.

The sector of home finance is anticipated to grow further during the following five years. The sector will expand as a result of increased accessibility, greater openness, rising urbanisation, and government incentives.

Housing demand has increased across the country as a result of changing lifestyles, societal perspectives, and expanding labour mobility. Future forecasts show that these patterns will persist. Moving into larger residences is more likely as income grows.

Opportunities and Threats

The affordable housing market can be expected to grow stronger and faster than the overall economic growth rate over the next decade and beyond, as a secure and stable house is an essential requirement for every household.

The regulators have also classified Housing Finance Company in "Middle Layer" of the Scale Based Regulation basis the importance the sector has on the economy.

As the business models in this segment of the housing finance space are relatively new and untested, funding conditions remain challenging for affordable HFCs as larger lending institutions slowly build their credit risk comfort with the sector. While leverage ratios have been rising, they are still much lower than bigger HFCs.

Concerns over asset quality and inflated pricing have repeatedly impacted the lending industry. For HFCs, reducing leverage is the main concern. NPAs began to accumulate as a result of bad placement choices.

Segment-wise or product-wise performance

As at March 31, 2024, Assets Under Management (AUM) of the company stood at ₹ 1727.78 Cr (₹ 1034.85 Cr. at end of the previous financial year). The Company currently operates in 13 states – Andhra Pradesh, Bihar Gujarat Haryana Karnataka Madhya Pradesh, Maharashtra Punjab Tamil Nadu Rajasthan, Telangana, Uttar Pradesh, Uttarakhand.

In terms of portfolio quality, the Company had 624 loan accounts as on year end - 31.03.2024 which were classified as non-performing assets ("NPAs") as per the prudential guidelines issued by the RBI. The amount of such Gross NPAs was ₹ 15.24 Crores (PY ₹ 5.74 Crores) which was 0.97% (PY 0.56%) of the owned portfolio as on March 31, 2024. The Company has created necessary provisions in accordance with the NHB Directions, after which Net NPAs stood at ₹ 8.46 Crores (PY ₹ 3.20 Crores) and 0.54 % (PY 0.32%) of the owned portfolio as at 31.03.2024.

In terms of funding, the Company has received the Second Tranche of Series D Investment from "Teachers Insurance and Annuity Association of America" ("Investor") by issuing CCPS amounting in aggregate, INR 75 Crores. As a part of Series D Investment in the Company, Promoter was issued 22,38,600 warrants of Face Value of INR 1/- amounting to INR 22,38,600/-. During the year, the Company also raised funds by way of issuance of External Commercial Borrowing bonds and Non-convertible Debentures.

Besides above, we enjoy the patronage from various lending partners which includes Blue Orchard, Symbiotics, Hinduja Housing Finance, Northern Arc capital, LIC, the State Bank of India, Indian Bank, HDFC Bank, Federal Bank, IndusInd Bank, IDFC first Bank, etc., leading private sector commercial banks and National Housing Bank under its various refinance schemes. The Company's loan portfolio continues to qualify as priority sector as defined by the Reserve Bank of India ("RBI"). Based on

our excellent relationships with our current lenders and the company's financial and portfolio performance, we are confident of arranging additional debt to cover projected growth plans.

The Company is very well capitalized with capital adequacy ratio at 29.49 % of risk weighted assets, as against the minimum requirement of 15%.

### Outlook

*(\*The mentioned figures are as per IndAS)*

During the year, your company was able to increase its total loan portfolio to Rs 15,63,21,06,252 /- as on March 31, 2024 as against Rs 10,09,57,53,001/-in the previous year.

Aviom is continuously investing in geographic expansion through its micro market strategy and deepening of its structures.

### Risks and concerns

The Company is exposed to a variety of risks such as credit risk, market risk, economy risk, interest rate risk, operational risk, fraud risk, liquidity risk, compliance risk, cyber security risk, reputation risk and cash management risk, among others.

Aviom has well-designed risk governance framework for identification, evaluation and management of various risks namely credit risk, market, liquidity and interest rate risk, operational risk, reputational risk and technological risk. Periodic update on the risk management framework is being done to dedicated Risk Management Committee (RMC) comprising directors and senior management team members for reviewing the risks, its root causes and the efficacy of the measures taken to mitigate the same.

The Board has delegated responsibility of overseeing and monitoring its asset liability management to 'Asset Liability Management Committee (ALCO)' which meets periodically to monitor mismatches and to ensure adequate level of liquidity.

The Company evaluates market, liquidity and interest rate risks and macro-economic events through board approved ALM framework and through periodic ALCO reviews which enable the Company to address any upcoming impact on the Company. Interest rate risk is managed through matching fixed and floating rate assets and liabilities, monitoring the duration of investment portfolio and through interest rate swaps as per the policy approved by the board.

### Internal control systems and their adequacy

Aviom had adequate internal control systems in place basis the nature, size and operations of business and processes towards achieving efficiency in its operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The Company has engaged "Grant Thornton" for assisting in conducting internal audit and branch audit for the financial year 2023-24. They assist in conducting audits of various departments based on an annual audit plan covering key area of operations. Internal Audit reviews and evaluates the adequacy and effectiveness of internal controls, ensuring adherence to operating guidelines and systems and recommending improvements for strengthening them. There was no material event recorded subsequent to the date of financial statement.

### Discussion on financial performance with respect to operations

During the year 2023-24, the Company has earned a total income of Rs. 4,16,84,92,215/- as compared to Rs 2,41,90,57,308 /- in the previous financial year 2022-23. For the current financial year 2023-24, Profit before Tax and Profit after Tax stood at Rs. 63,52,75,656/- and Rs. 45,87,99,603 /- respectively.



Material developments in Human Resources / Industrial Relations front, including number of people employed

Employees are considered as an important asset to build a sustainable organization for which the Company remains focussed on employee engagement, performance enhancement, smooth onboarding and skill improvement.

Our Human Capital efficiency and productivity matrices across job families have continuously improved every year, and our performance is a testimony of the same. We will continue to nurture a positive employee environment and lucidly communicate corporate expectations across functions and levels.

The Company continues to reward the exceptional performance of employees in both monetary and non-monetary terms through its robust rewards and recognition program. As on 31 March 2024, Aviom had 5445 employees.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
AVIOM INDIA HOUSING FINANCE LIMITED



Date: May 21, 2024  
Place: New Delhi

*KAAJAL ILMI* *KUNAL SIKKA*

KAAJAL ILMI  
Managing Director & CEO  
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