SES
Stakeholders Empowerment Services
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Proxy Advisory Report

Aptus Value Housing Finance India Ltd.

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

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Contact for Demo – esgdata@sesgovernance.com

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COMPANY INFORMATION

BSE CODE: 543335

NSE SYMBOL: APTUS

ISIN: INE852O01025

Industry: Housing Finance Company

Email: cs@aptusindia.com

Phone: +91 44 4565 0000

Registered Office: 8B, Doshi Towers, 8th Floor, No. 205, Poonamallee High Road, Kilpauk, Chennai – 600 010

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 18th February, 2026

Notice Date: 12th January, 2026

Notice: Click here

Annual Report: FY 2024-25

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: KFintech

Cut-off Date: 9th January, 2026

Remote E-voting:

- **Start**: 20th January, 2026
- **Ends**: 18th February, 2026

REPORT RELEASE DATE: 2nd February, 2026

Research Analyst: Shambhavi Jha

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict

Interaction with the Company - No Interaction

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION

AGENDA ITEMS AND RECOMMENDATIONS

S. No.	Resolution	Type	SES Observation#	Rec.	Rationale
1.	To approve amendments to the Articles of Association of the Company.	S	LC | GC	AGAINST	*Excessive Rights vested on Promoters without linking it with a lower shareholding threshold.*

S - Special Resolution, Rec. - Recommendation
 # LC - Legally Compliant, NC -Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION

COMPANY BACKGROUND

COMPANY OVERVIEW

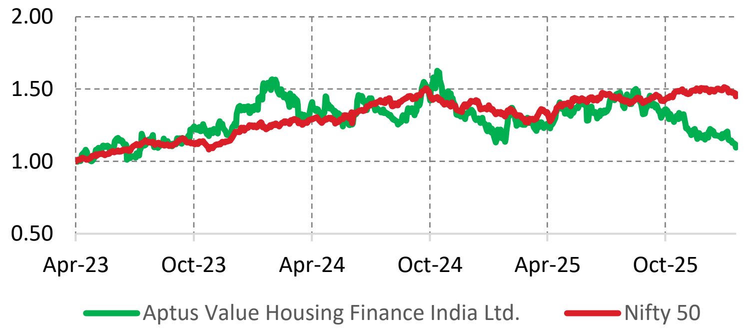
Aptus Value Housing Finance India Ltd. (“the Company”) with the primary objective of carrying on the business of providing long term housing finance to meet the housing needs of the low & middle income segment in the country. The group is also engaged in providing loans for non-housing finance activities in the form of Loan Against Properties (LAP) through the Company’s subsidiary, Aptus Finance India Private Limited.

MARKET DATA (*As on 21st January, 2026*)

Price (₹)	262.55
52 Weeks High/Low (₹)	364.85/257.30
M Cap (₹ Cr.)	13,019.05
P/E	17.49
P/B	3.04

Source: BSE & Annual Report

Price Trend (Normalised)



NUMBER OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES (AS ON 31ST MARCH, 2025)

SUBSIDIARIES	ASSOCIATES	JOINT VENTURES
1	0	0

Source: Annual Report

FINANCIAL INDICATORS (CONSOLIDATED)

(In ₹ Crores)	2023	2024	2025
Net Worth	3,339.33	3,767.92	**4,316.65**
Total Assets	7,176.28	9,004.61	**11,243.41**
Total Debt	3,786.06	5,185.00	**6,846.84**
CRAR (%)	77.38	73.03	**71.31**
Operating Revenue	1,093.36	1,365.18	**1,750.41**
Total Revenue	1,133.64	1,409.19	**1,798.40**
Operating Profit	896.56	1,146.32	**1,479.42**
Net Profit	503.01	611.90	**751.25**
EPS (₹)	10.08	12.21	**15.01**
Face Value (₹)	2.00	2.00	**2.00**
RONW (%)	15.06	16.24	**17.40**
Debt Equity Ratio	1.13	1.38	**1.59**

PEER COMPARISON (2025)

(In ₹ Crores)	India Shelter Finance Corporation
Net Worth	2,708.74
Total Assets	7,747.50
Total Debt	4,969.06
CRAR (%)	60.59
Operating Revenue	1,165.64
Total Revenue	1,175.93
Operating Profit	845.38
Net Profit	377.87
EPS (₹)	33.93
Face Value (₹)	5.00
RONW (%)	13.95
Debt Equity Ratio	1.83

Source: Capitaline | Kindly Click here to view list of abbreviations and formulas used in above table

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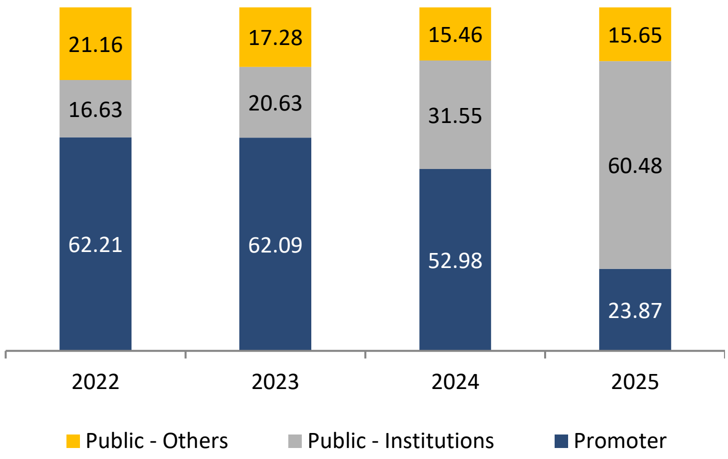
OWNERSHIP STRUCTURE

SHAREHOLDING PATTERN (%) (DECEMBER)



DISCUSSION (1st January, 2025 to 31st December, 2025)

Shares at the start of period: 49,98,14,138

New Shares issued: 9,08,598 *(ESOP Grants)*

Shares at the end of period: 50,07,22,736

CHANGE IN SHAREHOLDING:

CATEGORY	% CHANGES	REASONS
Promoter	(-) by 29.12%	Market Sale
Public Institutions	(+) by 28.93%	-
Public Others	(+) by 0.18%	-

Pledge: Promoters have not pledged or encumbered any part of their shareholding.

MAJOR PUBLIC SHAREHOLDERS (DEC' 25)

SBI Conservative Hybrid Fund	9.39%
Smallcap World Fund, Inc	5.48%
Kotak Small Cap Fund	4.17%
Malabar India Fund Ltd.	4.02%
WF Asian Smaller Companies Fund Ltd.	3.85%

MAJOR PROMOTER/PROMOTER GROUP SHAREHOLDERS (DEC' 25)

Munuswamy Anandan	19.20%
Padma Anandan	2.70%
Anu Anand Ravilla	1.03%

INSTITUTION SHAREHOLDING VS FREE FLOAT

Particulars	DEC' 24	DEC' 25
Total Shares	49.98	**50.07**
Promoter Shares	26.48	**11.95**
Non-Promoter Non-Public	-	**-**
Free Float (FF)	23.50	**38.12**
Public Institution	15.77	**30.29**
Institution vs FF	67.11%	**79.45%**
SES Institutional Grade	B	A

No. of shares in Crore

Institutional Holding	GRADE*
More than 75%	A
>50% to 75%	B
>25% to 50%	C
0% to 25%	D

**Percentage is proportion of Public Institutional shareholding vs Free float. Free Float is total shareholding reduced by Promoter and Non-Promoter Non-Public shareholding.*

Explanation: *Generally, it is expected that a higher Institutional shareholding would result in better Corporate Governance Practices due to stewardship activities of investors. To analyse the entry and exit of Institutional shareholders in a Company and to capture such triggers, SES has come up with Institutional grading criteria as given in the table. The grading criteria provides a higher grade in case the percentage of Institutional shareholding vs free float is higher and vice versa.*

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RESOLUTION ANALYSIS

RESOLUTION 1: AMENDMENTS TO THE AOA

To approve amendments to the Articles of Association of the Company.	S	**AGAINST**

SES RATIONALE

Compliant with law. **Governance Concern:** Power vested on Promoters to nominate majority of Directors on the Board without specifying a lower limit of their shareholding threshold. It will essentially provide the concerned Promoters to nominate majority of the Board with as little as 0.1% shareholding as well. Further, the Promoters are also vested with rights to decide / approve / decline any action which concerns the functioning of the Company, that too without specifying a lower shareholding threshold against which such rights may be granted. These rights will make shareholders' approval a mere formality, and also materially dilute the role of Directors, who are responsible to take decisions on behalf of shareholders and put the Company's interest first, independently.

SES ANALYSIS

COMPANY'S JUSTIFICATION

The existing Articles of Association of the Company contain certain clauses granting specific nomination rights to Westbridge Crossover Fund, LLC ("Westbridge"), erstwhile Investor Promoters and its affiliated entities. Under these clauses, Westbridge was entitled to nominate two (2) Investor Nominee Directors to the Board of Directors of the Company, provided that Westbridge collectively held 10% or more of the issued and paid-up equity share capital of the Company.

Consequent to the complete disinvestment of the equity shareholding held by Westbridge and its affiliated entities in the Company, the aforementioned nomination rights have automatically ceased to exist in accordance with the terms of the Articles of Association.

The Company has also applied for the reclassification of Westbridge and its affiliated entities as "public shareholders" under Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stock Exchanges, BSE Limited and National Stock Exchange of India Limited, have approved this reclassification, confirming the exit of the Westbridge and its affiliated entities from the promoter/promoter group category. To reflect this change and streamline the Articles of Association by removing redundant provisions, it is proposed to delete all clauses pertaining to Westbridge and its affiliated entities.

Further, the Board of Directors, at its meeting held on 12th January 2026, recorded its deep appreciation for the significant and ongoing contributions of the Promoter towards the establishment, strategic direction, leadership, and robust governance of the Company. In recognition of this and the visionary role in driving the Company's long-term growth and development since its inception, the Board approved the proposal to amend the Articles of Association of the Company by incorporating certain rights to the Promoter.

PROPOSED CHANGE

Article No.	Heading	Existing Article	Proposed Amendment
3.	*Definition*	*"Promoters" shall refer to, collectively, the Founder Promoter 1, the Founder Promoter 2 and the Investor Promoter;*	*"Promoters" shall refer to, collectively, **Mr. M Anandan and Ms. Padma Anandan and "Promoter" shall refer to any one of them**;*
101A	*Director*	*From the date of receipt of the listing and trading approval in relation to the IPO, subject to the receipt of the requisite regulatory authorization and corporate authorizations (including shareholder approval by way of a special resolution) post-listing of the Company, (a) The Company shall at all times have such number of Directors appointed in accordance with the*	*The Company shall at all times have such number of Directors appointed in accordance with the provisions of the Act and, subject to applicable laws, including the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time. Subject to applicable law, the **Promoters shall have the right to***

		provisions of the Act and, on and from the Execution Date, subject to applicable law, including the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time, (b) The Investor Promoter shall have the right to nominate 2 (two) nominee Directors to the Board (the "Investor Nominee Directors"), until such time as the Investor Promoter, AIH and JIH collectively hold 10% or more of the issued and paid up share capital of the Company, (c) The Founder Promoters shall have the right to nominate such number of nominee Directors (including, without limitation, the Founder Promoter 1) to the Board, as would constitute a majority on the Board (excluding the independent Directors), until such time as the Founder Promoters continue to be classified as "promoters" of the Company within the meaning of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, and (d) The chairman of the Board shall, at all times, be the Founder Promoter 1, subject to the Founder Promoters continuing to be classified as "promoters" under applicable law.	***collectively nominate such number of nominee Directors (including, without limitation, Promoter) to the Board, <u>as would constitute a majority on the Board</u>***, *until such time as the Promoters continue to be classified as "Promoters" of the Company under applicable laws (including without limitation within the meaning of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time), provided that the Board shall at all times have and maintain such number of independent Directors, as may be prescribed under applicable laws.* ***The <u>Chairman of the Board shall be a Director nominated by the Promoters</u>, at all points of time***, *subject to the Promoters continuing to be classified as "Promoters" under applicable laws.*
110	*Affirmative Voting Rights*	*Affirmative voting rights – No provision in the existing Articles of Association*	*Notwithstanding anything contained to the contrary under these Articles, but subject to applicable laws, the Company shall ensure that no action shall be taken, no agenda shall be considered, discussed, deliberated, acted on, or passed by way of a resolution by the Board (or committees thereof) or Members, in relation to any matter enumerated below, in a single or series of transactions, without the affirmative vote or prior written consent of the Promoters:* *a. any amendments to the Memorandum or Articles which adversely affect the rights of the Promoters (or any of them);* *b. any re-organisation, restructuring, demerger, merger or amalgamation involving the Company;* *c. sale of substantially all of the assets of the Company;* *d. dissolution, winding up or liquidation of the Company; and* *e. authorising or committing or agreeing to take any of the foregoing actions.*
119	*Quorum*	*Subject to the provisions of the Act and other applicable law, the quorum for a meeting of the*	*Subject to the provisions of the Act and other applicable laws, the quorum for a meeting of the*

		Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.	*Board duly convened and held shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or 2 (two) Directors whichever is higher, provided that the quorum for a meeting of the Board will require the presence of at least 1 (one) Director nominated by the Promoters, throughout the meeting. The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.*

SES VIEW

The Company is seeking shareholders' approval for **alteration/ amendment of the existing Articles of Association** of the Company.

It may be noted that the above alterations/amendments have been proposed consequent to the complete dis-investment of the Equity Shareholding held by Westbridge Crossover Fund, LLC ("Westbridge"), erstwhile Investor Promoters and its Affiliated Entities and its re-classification as a Public Shareholder. As a result, the changes have been proposed to exclude Westbridge from any Special Rights it may be have been granted as a Promoter.

While no concern is identified with this modification specifically, SES has also analysed the amended Articles w.r.t the remaining rights and its fairness to the public shareholders.

Accordingly, shareholders may take note of the following observations in this regard –

1. **Power to nominate Directors**:
   - SES is of the opinion that Board appointments should follow the principles of Corporate Democracy.
   - In the past, SES has opposed Special Rights granted to certain shareholders (especially Promoter Shareholders) viz. preferential rights to nominate directors, unless the shareholding is distributed in a non-controlling ownership structure. Such rights may be disadvantageous to minority shareholders, and undermine the independence of the NRC, which often ends up merely formalizing pre-approved appointments.
   - However, SES acknowledges **that Shareholders having significant stake may reasonably seek board representation**. Recognizing this, SES has revised its stance in the matter.
   - In the present case, the Company is seeking approval for Nomination Rights in favour of the Promoters without linking it to any shareholding thresholds. Simply put, there is **no lower shareholding cap** up to which the concerned Promoters will be having such Nomination Rights. Under such circumstances, the Promoter having as little as 0.1% stake shall also have nomination rights.
   - SES does not view this as a good governance practice. Ideally, SES recommends that the Company should provide nomination rights only after linking it to the Investor's shareholding.
   - In light of the above observation, SES is raising **governance concern** under this head.
2. **Power to appoint Board Chairperson**:
   - In line with its Policy, SES is not against the appointment of Board Chairperson by a Promoter *per-se*.
   - However, from a wider governance scope, SES always recommends that a Board Chairperson should be appointed based on the Director's individual qualities / capabilities, and not by someone who exercises control over the Company.
   - Ideally, SES would recommend that the Chairperson should be a Non-Executive Director, preferably an Independent Director. It ensures that the decisions are not gravitating towards any personal / concentrated benefit(s) to any Party, especially a Promoter.
   - SES is not raising any major governance concern under this head. However, SES shall recommend against a Director who holds a combined position of a Board Chairperson and Executive / Managing Director.
   - This is because holding such positions by same person may lead to **concentration of powers in the hands of single person**.

Rationale: *Corporate democracy and management structure envisage three layers; at the top is General Body of shareholders, which guides and approves proposal of the Board; second in line is the Board, which is directed by General body, AoA and MoA and which sets agenda for Management. The Board is headed by Chairperson. The Management, which is at the bottom of pyramid is headed by Executive/Managing Director(s), who are responsible for day to day management and operational issues.*

Combining the position of Chairperson with executive positions blurs the demarcation between Board and Management. *Thus, SES is of the opinion that the Company should segregate the position of Chairperson from Executive/Management position.*

3. **Affirmative Voting Rights**:

- The Company is also seeking to provide such rights to the Promoter which shall enable them to approve / reject any decision put forth by the Board. In other words, the voting rights under Article 110 of AoA (proposed) gives the Promoters discretion to exercise greater control over the Board's decision-making.
- While such arrangements are not against any legal provisions, SES observes that such powers undermined the powers of the Board, as well as the shareholders' democracy. Shareholders are essentially being reduced to mere "approvers" of Resolutions which have already been pre-decided by the Promoters.
- This may not be in the best interest of the Company's growth, as the Directors, who owe fiduciary duties to act in the best interests of the Company and its shareholders, find **their fiduciary role substantially diluted**, with the preliminary authority to initiate actions vesting with the Promoters.
- Further, similar to the concern highlighted under Point #1, the Promoters are proposed to be granted such affirmative right, regardless of any lower shareholding threshold.
- Considering the above observations, SES is raising **governance concern** in this regard.

In summary, SES is raising **governance concern** under the proposed Resolution.

Disclaimer
Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

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SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*

FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*

GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*

TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

S E S
Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. - U74120MH2012NPL232154

Contact Information

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