Can Fin Homes Ltd
(Sponsor: CANARA BANK)
HOME LOANS • DEPOSITS
Translating Dreams into Reality

CAN FIN HOMES LTD
Registered Office
No. 29/1, 1st Floor, Sir M N Krishna Rao Road
Basavanagudi, Bengaluru – 560 004
E-mail: compsec@canfinhomes.com
Tel: 080 26564259 Fax :080 26565746
Web: www.canfinhomes.com
CIN: L85110KA1987PLC008699

CFHRO SE CS LODR 068/2019
June 18, 2019

Online Submission

National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: CANFINHOME	**BSE Limited** Corporate Relationship Department 25th Floor, P J Towers Dalal Street, Fort, Mumbai – 400 001 BSE Scrip Code: 511196

Dear Sirs,

Sub: Notice of 32nd Annual General Meeting (AGM) and Annual Report 2018-19 – Reg.34(1)

Pursuant to Reg.34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached a copy of the Annual Report of the Company for the year 2018-19 together with the Notice of the 32nd Annual General Meeting.

We have commenced the process of sending the said documents by e-mail today i.e. June 18, 2019 to the Members, who had registered their e-mail IDs with the depositories and with the Company. The process of dispatch of physical copies to the Members who have not registered their e-mail IDs, has also commenced.

The above mentioned documents are made available on the website of the Company at https://www.canfinhomes.com/events.aspx

The schedule of events is set out below:

Event	Date	Time
Cut-off date to vote on AGM resolutions	July 10, 2019	NA
Commencement of e-Voting	July 12, 2019	09:00 a.m. IST
End of e-Voting	July 16, 2019	05:00 p.m. IST
Annual General Meeting	July 17, 2019	11:00 a.m. IST

We request for taking the attached documents on record and to disseminate the same on your website for the information of Members of our Company.

Thanking you,

Yours faithfully,
For Can Fin Homes Ltd.,

Veena G Kamath
Company Secretary

Encl: As above.

CAN FIN HOMES LTD. Regd. Off. No. 29/1, 1st Floor, M.N.K. Rao Road, BANGALORE-04

Can Fin Homes Ltd
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HOME LOANS ♦ DEPOSITS
Translating Dreams into Reality
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Registered Office
No. 29/1, 1st Floor, Sir M N Krishna Rao Road,
Near Lalbagh West Gate, Basavanagudi, Bengaluru – 560 004
• Tel : 080 26564259 • Fax: 080 26565746
E-mail:compsec@canfinhomes.com
• Web: www.canfinhomes.com CIN: L85110KA1987PLC008699

Notice of the 32nd Annual General Meeting

NOTICE is hereby given that the THIRTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF CAN FIN HOMES LTD., will be held at 11:00 A.M. on Wednesday the July 17, 2019 at the NIMHANS Convention Centre, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka 560029, to transact the following business:

ORDINARY BUSINESS

Agenda No.1 - Adoption of accounts

To receive, consider and adopt the audited financial statements, including Balance Sheet as at March 31, 2019 and statement of the Profit and Loss account of the Company for the year ended that date together with the reports of the Directors and Auditors.

Agenda No.2 - Declaration of dividend

To declare a dividend of ₹2/- per equity share for the financial year ended March 31, 2019.

Agenda No.3 – Re-appointment of Shri Shreekant M Bhandiwad as Whole-time Director

To re-appoint Shri Shreekant M Bhandiwad (DIN–08120906), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

As Ordinary Resolution(s)

Agenda No.4 – Appointment of Dr. Yeluri Vijayanand as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013, Companies (Amendment) Act, 2017 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) Dr. Yeluri Vijayanand (DIN-00594503), in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing Dr. Yeluri Vijayanand to be appointed as an Independent Director, be and is hereby appointed as an Independent Director of the Company for a tenure upto the conclusion of the Annual General Meeting of the Company of the year 2020-21 and whose office shall not be liable to retire by rotation."

Agenda No.5 – Appointment of Shri S Subramanian as a Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 160 and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, Shri S Subramanian (DIN-07901414) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 25.6 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying their intention to propose Shri S Subramanian as a candidate for the office of director, is hereby appointed as a Director of the Company liable to retire by rotation."

Agenda No.6 - Appointment of Shri Debashish Mukherjee as a Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 160 and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment

thereof, Shri Debashish Mukherjee (DIN-08193978) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 25.6 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying their intention to propose Shri Debashish Mukherjee as a candidate for the office of director, is hereby appointed as a Director of the Company liable to retire by rotation."

Agenda No.7 – Re-appointment of Shri Sarada Kumar Hota as Managing Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 152, 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and related Rules read with Schedule V, including any amendment, modification, variation or re-enactment thereof, and the related articles of the Articles of Association of the Company, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-appointment of Shri Sarada Kumar Hota (DIN-07491088), General Manager, Canara Bank, as the Managing Director of the Company for a further tenure from May 19, 2019 to October 05, 2019, at such remuneration, as he is entitled to in accordance with the Service Regulations of Canara Bank and any modifications and revisions thereof that might take place from time to time and paid / payable by way of reimbursement to Canara Bank as detailed in the explanatory statement attached hereto, provided however that the remuneration paid/ payable to Shri Sarada Kumar Hota, Managing Director, shall not exceed the limits prescribed under Schedule V of the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof.

RESOLVED FURTHER THAT all the acts, deeds, matters and things and execution of documents, instruments and writings carried out by Shri Sarada Kumar Hota, as the Managing Director of the Company, on his re-appointment by the Board of Directors since May 19, 2019, be and are hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings, if any, as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Committee of Directors to give effect to the aforesaid resolutions."

Agenda No.8 – Acceptance of deposits from public

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company is hereby accorded to the Board of Directors of the Company, pursuant to the Housing Finance Companies (NHB) Directions, 2010 issued under National Housing Bank Act, 1987 and guidelines issued from time to time and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as applicable, for acceptance of deposits from public, to the extent not exceeding 5 (five) times of the net owned funds or such other limits prescribed by NHB from time to time, and deposits from others, provided that the total amount upto which aggregate money(ies) borrowed by the Board of Directors of the Company together with the deposits so accepted from the public and others shall not exceed the limit approved by the Company in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013."

Agenda No.9 - Related Party Transactions / Arrangements

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Resolutions passed at the Thirty first Annual General Meeting of the Company held on July 18, 2018 pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Amendment) Act, 2015, Companies (Amendment) Act, 2017, read with applicable Rules under the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of regulation 23 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification or re-enactment thereof, approval of the members of the Company be and is hereby accorded for enhancement of related party transactions from ₹5,000 Crore (Rupees Five Thousand Crore) to ₹6,000/- Crore (Rupees Six Thousand Crore) and such related party transactions mean entering into any contracts or arrangements with the related party(ies) viz., Canara Bank, the Sponsor Bank of the Company and/or their subsidiaries and/or associates and/or any of their joint venture companies with respect to the transactions entered into or to be entered into with respect to sale, purchase of any goods or materials, selling or otherwise disposing of or buying property of any kind, leasing of property of any kind, availing or rendering of any services directly or through appointment of agents, appointment to any office or place of profit in the Company, remuneration for underwriting of securities, transactions involving payment to a related party with respect to brand usage or royalty, etc., or reimbursement towards any transaction or any transaction of whatever nature.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Audit Committee is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above and to settle all matters arising out of and incidental thereto and to do all acts, deeds, things as may be necessary, proper or expedient to give effect to these resolutions."

As Special Resolution(s)

Agenda No.10 – Re-appointment of Shri G Naganathan, FCA, as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution, as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force) Shri G Naganathan (DIN-00423686) whose tenure of office comes to an end on the conclusion of the 32nd Annual General Meeting on July 17, 2019 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying their intention to propose Shri G Naganathan as a candidate for the office of Independent Director, be and is hereby re-appointed as an Independent Director of the Company for a term of three years until the conclusion of the Annual General Meeting of the financial year 2021-22 and whose office shall not be liable to retire by rotation."

Agenda No.11 - To borrow amounts not exceeding ₹23,000 Crore

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in supersession of the resolutions passed at the Thirty first Annual General Meeting of the Company held on July 18, 2018, the consent of the Company is hereby accorded, pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to continue to borrow from time to time any money(ies) as they deem requisite for the purpose of the business of the Company, notwithstanding that the money(ies) to be borrowed together with money(ies) already borrowed by the Company would exceed the aggregate of paid-up share capital, free reserves and securities premium of the Company, provided that the total amount upto which money(ies) borrowed by the Board of Directors of the Company at any time, including the temporary loans obtained from the Company's Bankers in the ordinary course of business, shall not exceed ₹23,000 Crore (Rupees Twenty Three Thousand Crore only)."

Agenda No.12 - Offer or invitation for subscription of Non-Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹6000 Crore, on private placement

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolution:

"RESOLVED THAT subject to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Rules, 2008, Foreign Exchange Management Act, 1999, Directions / Guidelines issued by National Housing Bank or any other Regulators, guidelines or circulars issued by Reserve Bank of India or any other statutory / regulatory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee thereof) for issuance of Redeemable, Secured or Unsecured Non-Convertible Debentures (NCDs)/bonds, sub-ordinated debt in the nature of Tier II NCDs/bonds, onshore and/or offshore, denominated in Indian Rupees and/or any Foreign Currency, for cash, either at par or premium or at a discount to face value, upto an amount not exceeding ₹6,000 Crore (Rupees Six Thousand Crore only) under one or more information memorandum / shelf disclosure document, on private placement basis, in one or more tranches, during the period of one year commencing from the date of this meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non- Convertible Debentures/bonds, number of securities, number of tranche(s), to be issued under each such tranche, tenure, purpose, coupon rate(s), securities for the issue if any, pricing of the issue, date(s) of opening and closing of the offers/ invitations for subscription of such securities, deemed date(s) of allotment, exercise 'PUT' and 'CALL' option, redemption and all other terms and conditions relating to the issue of the said securities on private placement basis or delegate the above powers to committee(s) of the Board or such other Committee(s) duly constituted for the purpose.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolution(s), the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto.

RESOLVED FURTHER THAT the Board is hereby authorised to delegate all or any of the powers herein conferred to any director(s)/Committees and/or officers(s) of the Company, to give effect to the resolution(s)."

Agenda No.13 – Further issue of shares / specified securities not exceeding ₹1000 Crore

To consider, and if thought fit, to pass with or without the modification(s), the following resolution(s) as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment, modification, variation or re-enactment thereof), the provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with any other applicable law or regulation, in India or outside India, including without limitation, the provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (SEBI) Act, 1992 and the rules and regulations made thereunder including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended [the "SEBI (ICDR) Regulations"], the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ["SEBI (LODR) Regulations"], the listing agreements entered into with the respective stock exchanges where the shares of the Company are listed (the "Stock Exchanges"), the provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA"), including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Foreign Exchange Management (Transfer or issue of any foreign security) Regulations 2004 as amended, the Reserve Bank of India Master Directions on Foreign Investment in India 2018 as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued from time to time by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies (the "ROC"), the Ministry of Corporate Affairs ("MCA"), National Housing Bank ("NHB"), stock exchanges and/or any other competent authorities (hereinafter referred to as 'regulatory authorities'), from time to time, and to the extent applicable and subject to approvals, consents, permissions and/or sanctions, if any required, from any statutory or regulatory authority and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, the consent, authority and approval of the members be and is hereby accorded to the Board of Directors of the company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by this Resolution) to create, offer, issue and allot, such number of fully paid Equity Shares of the Company of face value of 2/- each (Rupees Two only) (the "Securities"), in one or more tranches, either in India or in the course of international offering(s) in one or more foreign markets, by way of Qualified Institutions Placement ("QIP") through issue of a placement document to Qualified Institutional Buyers [as defined in the SEBI (ICDR) Regulations] ("QIBs") and/or on preferential allotment basis to the promoter viz., Canara Bank, in accordance with Chapter VII and/or VIII of SEBI (ICDR) Regulations, as applicable, or by any other mode of further issue of specified securities or any combination thereof for an amount not exceeding in aggregate of ₹1000 Crore (Rupees One Thousand Crore only), inclusive of such premium as may be fixed on such Securities at such time or times, in such manner and on such terms and conditions including at such price or prices, at a discount or premium to market price or prices (as permitted under the applicable laws) etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the QIBs to whom to offer, issue and allotment shall be made to the exclusion of other QIBs at the time of such creation, offer, issue and allotment, all subject to applicable laws, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/or other advisor(s) for such issue. The number and/or price of Securities shall be appropriately adjusted for future corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT the allotment of Securities shall be completed within 12 (twelve) months from the date of passing of this Resolution or such other time as may be permitted under the SEBI (ICDR) Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VII and/or VIII of SEBI (ICDR) Regulations, as applicable and as may be amended from time to time, provided that the Board may, in accordance with applicable laws, offer a discount of not more than 5% (five percent) or such percentage as permitted under the applicable laws, with such lock-in requirements and on such price determined in accordance with the pricing formula provided under Chapter VII and/or VIII of SEBI (ICDR) Regulations, as applicable, as may be amended from time to time.

RESOLVED FURTHER THAT the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of such shares, subject to any relevant provisions of applicable laws, rules, regulations, etc. as amended, from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued by the Company as per the above resolutions shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT the Equity Shares so issued by the Company as per the above resolutions shall be listed on the Stock Exchanges, where the existing Equity Shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a Committee thereof be and is hereby authorized on behalf of the Company to

do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final placement document(s), determining the type, form and manner of the issue, number of securities to be allotted, issue price, face value, discounts permitted under the applicable law (now or hereafter), premium amount on issue/conversion of the securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, creation of mortgage/charge in accordance with the provisions of the Act in respect of any Securities as may be required either on pari passu basis or otherwise, as it may in its absolute discretion deem fit, necessary, proper or desirable, and to give instructions or directions or clarifications and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by SEBI, the ROC or such other statutory & regulatory authorities, merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, trustee, escrow agent or such other agents/agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent, authority or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to these Resolutions may be exercised by the Board or Committee thereof the Board has constituted or may constitute in this behalf, to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of these Resolutions, and all actions taken by the Board or any Committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorized to engage/appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, advisors and all such agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such securities on the stock exchange(s).

RESOLVED FURTHER THAT subject to the applicable laws, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Directors or any other officer or officers of the Company to give effect to the above resolutions."

Agenda No.14 – Alteration of Articles of Association – Deletion of clauses relating to `Common Seal'

To consider, and if thought fit, to pass with or without the modification(s), the following resolution(s) as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 5, 9, 14 and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to amend the Article of Association as below:

(a) The existing Article 9 be deleted and in its place the following new Article 9 be substituted, namely

"Article 9 – Issue of certificate

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary."

(b) The existing Article 30 be deleted which is as under:

"Article 30 - The Seal

30.1 The Board shall provide for the safe custody of the seal.

30.2 The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence."

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution(s)."

By Order of the Board of Directors
For Can Fin Homes Ltd.

Sd/-
Veena G Kamath
AGM & Company Secretary

Place: Bengaluru
Date: May 22, 2019

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 17(11) setting out the material facts concerning agenda No.3 and special business under agenda Nos. 4 to 14 in the Notice is annexed.

2. **Voting through electronic means (e-Voting):** Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their right to vote electronically through electronic voting (e-voting) service facility provided/ made available by the National Securities Depository Limited (NSDL). The facility for voting through electronic voting system/ballot paper will also be made available at the venue of the Annual General Meeting (AGM) and the members who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the said AGM. Members who have cast their votes by remote e- voting prior to the AGM may attend the AGM but shall not be allowed to vote again. The instructions for e-voting are annexed to the Notice. In case of joint holders attending the meeting, only such joint holder, who is higher in the order of names will be entitled to vote. Since the resolutions set out in this Notice of the meeting are being put to the vote through e-voting, the said resolutions will not be voted on show of hands at the AGM in terms of Section 107 of the Companies Act, 2013.

3. (a) **A member entitled to attend and vote is entitled to appoint a proxy/proxies, to attend and vote instead of himself/herself, and such proxy/proxies need not be a member.**

   (b) Pursuant to Section 105 of the Companies Act, 2013, a proxy can vote on behalf of the member only on a poll but shall not have the right to speak at the meeting.

   (c) Pursuant to Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

   (d) **Proxies in order to be valid must be deposited at the Company's Registered Office not less than 48 hours before the time fixed for commencement of the meeting** (Proxies, if any, to be registered with the Company on or before 11:00 a.m. on July 15, 2019). The proxy form shall be duly complete, signed and stamped at the time of submission.

   (e) The instrument appointing a proxy, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

   (f) A proxy form for the AGM is enclosed.

4. A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided that not less than three days of notice in writing of the intention so to inspect is given to the Company.

5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company would remain closed from Thursday the July 11, 2019 to Wednesday the July 17, 2019, (both days inclusive) for the purpose of determining the entitlement of shareholders to the payment of dividend for the financial year ended March 31, 2019.

6. Subject to the provisions of Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as at the close of business hours on Wednesday, July 10, 2019.

7. Copies of the Notice of the 32nd AGM, Attendance Slip, Proxy Form, e-Voting instructions and Annual Report are being sent by electronic mode to all those members whose e-mail addresses are registered with the Company/RTA or Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2018-19 are sent by the permitted mode.

8. Members may note that the Notice of the 32nd AGM, Annual Report 2019 and instructions for e-voting will be available on the Company's website www.canfinhomes.com The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (10.00 a.m. to 5:00 p.m.) on working days. Members who require communication in physical form in addition to communication via e-mail or having any other queries, may write to us at compsec@canfinhomes.com

9. Pursuant to the provisions of section 102(3) of the Companies Act, 2013, all the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during Business Hours (10.00 a.m. to 5:00 p.m.) on all working days upto the date of declaration of the result of the 32nd AGM of the Company.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s.170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained u/s.189 of the Act will be available for inspection by the members at the AGM.

11. Additional information/particulars, pursuant to Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the AGM are furnished in the explanatory statement forming part of this Notice. The directors have furnished consent(s)/ declaration(s) for their appointment/ re-appointment as required under the Companies Act, 2013 and related Rules and as per NHB Directions.

12. The members desirous of obtaining information, if any, with regard to the audited annual accounts of the Company for the financial year 2018- 19 or on any other related subject may write to the Company at e-mail IDs; accounts@canfinhomes.com or compsec@canfinhomes.com at least 15 days before the date fixed for the AGM, so that the information required could be kept ready.

13. **Members/proxies attending the Annual General Meeting are requested to bring the following:**

    (a) Photo Identity Card for marking the attendance.

    (b) Attendance Slip duly mentioning the Folio number(s) or DP ID & Client ID Number(s), as applicable, the number of shares held and duly signed by the respective Members or Proxy attending the meeting.

    (c) Member companies/Institutions are requested to send a copy of the resolution of their Board or governing body, authorising their representative to attend and vote on their behalf at the Annual General Meeting.

    (d) Copy of the Annual Report (optional).

14. Members/ authorised representatives/ Proxies are requested to tender their attendance slips at the Registration Counters at the venue of the AGM and seek registration before entering the meeting hall.

15. The route-map to the AGM venue is provided as a part of this Notice as required under Secretarial Standards.

16. **Information on Appointment of Auditors:** Pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. Varma & Varma, Chartered Accountants (Firm Reg.No.004532S) were appointed by the members as the Statutory Auditors of the Company to hold office from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting, subject to ratification by members every year, as applicable, at such remuneration and out-of-pocket expenses, as may be decided by the Board of Directors of the Company.

    The requirement of placing the matter relating to such appointment for ratification by members at every annual general meeting has been dispensed with by omission of the first proviso to Section 139(1) by the Companies (Amendment) Act, 2017 effective from May 07, 2018 as per the Notification issued by Ministry of Corporate Affairs, Govt. of India [File No.1/1/2018-CL.I dated May 07, 2018]. Hence, a separate agenda for ratification of appointment of Auditors has not been placed before the current meeting. M/s Varma & Varma, Chartered Accountants will continue as the Statutory Auditors of the Company, until the conclusion of the 35th Annual General Meeting, at such remuneration and out-of-pocket expenses, as may be decided by the Board of Directors of the Company.

    We request the members to note the above information.

General Information:

1. **Dematerialisation of shares:** Considering the advantage of scripless trading, members are requested to consider dematerialisation of their shareholding so as to avoid inconvenience. For any assistance for opening demat account, the members may contact the RTA or the Board Secretariat Department vide e-mail to compsec@canfinhomes.com or Ph: 080 26564259. Pursuant to the proviso to Reg. 40 of SEBI (LODR) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed by the Company unless the securities are held in the dematerialized form with a depository.

2. **Unclaimed Dividend:** Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the dividend declared for 2011-12 remaining unclaimed and unpaid as on August 08, 2019 would be transferred to the Investor Education & Protection Fund (IEPF) on completion of 7 years. Members who have not encashed their dividend warrants for the financial years 2011-12 to 2017-18 are requested to approach the RTA of the Company at the earliest.

3. **Transfer of shares to IEPF Demat Account:** Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016 and amendments thereof and as per Rule 6 of the said Rules, during FY 2018-19, the Company has transferred all the shares, in respect of which dividend amounts remained unclaimed or unpaid for 7 consecutive years by the shareholders i.e., upto 2010-11, to 'IEPF Demat Account' in accordance with the procedure prescribed.

   The Company has sent reminder letters dated May 03, 2019 to all the shareholders (2130 Nos.), who have not claimed their dividend amounts pertaining to 2011-12 for a consecutive period of 7 years and also issued newspaper notifications. The details are made available on the website of the Company in `Investors' page. The shareholders are requested to contact RTA and submit their KYC documents and comply with the formalities for claiming the said amounts. The unclaimed amount together with related shares are due to be transferred to IEPF by August 08, 2019.

4. **E-mail address:** The Company has been concerned about the environment and encourages the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India. Members holding equity shares of the Company in physical form, are again requested to provide their e-mail address to the Company via e-mail to investor.relationship@canfinhomes.com or to the RTA of the Company via e-mail to ravi@ccsl.co.in or naidu@ccsl.co.in. Members holding equity shares of the Company in electronic/dematerialized form are requested to register their e-mail address with their respective Depository Participant for enabling us to send the annual report etc., via e-mail.

5. **Payments in electronic mode:** SEBI vide its Circular dated March 21, 2016 has made it mandatory for the Companies to make payment to its investors using electronic mode viz., ECS, NECS, RTGS, NEFT etc.

   - In respect of members holding shares in physical form, the Company and/or its R & T Agents are expected to maintain the bank account particulars of its investors together with the related IFSC Code. In the above referred Circular, the respective Depository Participants are also instructed to maintain such details pertaining to the members holding shares in demat mode.

   - Members holding shares in electronic/de-materialised form may please note that while printing the bank account particulars on the dividend warrants, the particulars as provided by the National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL) will only be considered (in terms of the regulations of Depositories Act, 1996) for crediting the amount directly to the respective beneficial owners' bank account. Hence, the Company will not be in a position to act on any direct request from such demat holders for any change of bank account particulars.

   - The forms (for physical) for furnishing Bank account particulars with the related IFSC Code, are made available on the website of the Company https://www.canfinhomes.com/pdf/Letter-of-Request-for-DEMAT-and-Bank-Account-particulars-etc.pdf for download by the members and submission to the Company or the RTA. Members who have not yet complied with the above requirement are requested to immediately send required particulars for enabling the Company/ RTA to pay dividends through electronic mode.

   - Instructions, if any, already given by the members to the Company while holding shares in physical form will become redundant on conversion of shares to demat mode. The details provided/available with the respective DPs only will be considered for all purposes, including for payment of dividend. Hence, the demat holders are requested to furnish change in the Bank account particulars, if any, to their respective depository participants, and not to the Company or its RTA.

6. **PAN:** Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic/dematerialised form are, therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.

7. **Nomination facility:** Pursuant to Section 72 of the Companies Act, 2013 individual/ joint members are entitled to register nomination in respect of the shares held by them in Form No.SH-13 and send it to the RTA. The Nomination form is made available in the website of the Company https://www.canfinhomes.com/pdf/Nomination-Form-SH-13.pdf.

8. **Correspondence:** Members are requested to address all correspondence, including payment of unclaimed dividend, change of address etc. to the Registrars and Share Transfer Agents (RTA) of the Company viz., M/s.Canbank Computer Services Ltd., R & T Centre, Unit: Can Fin Homes Ltd., J.P. Royale, I Floor, No.218, 2nd Main, Sampige Road (near 14th Cross), Malleshwaram, Bengaluru-560003; e-mail: naidu@ccsl.co.in;

ANNEXURE TO THE NOTICE

Explanatory Statement: [Pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 17(11) of the SEBI (LODR) Regulations, 2015 and additional information on directors on appointment/re-appointment as required under Regulation 36 of the said regulations and secretarial standards to the extent applicable].

In respect of Agenda No.3 – Re-appointment of Shri Shreekant M Bhandiwad as whole-time Director

In terms of section 152(6)(d) of the Act, the Board has resolved that Shri Shreekant M Bhandiwad, Whole-time Director, who was appointed on April 28, 2018, being longest in the office since his last appointment, shall retire at the 32nd Annual General Meeting of the Company and being eligible seeks re-appointment. He has filed his consent for such re-appointment.

Agenda No. 3 is an ordinary business. However, in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2, the following particulars relating to Shri Shreekant M Bhandiwad (DIN–08120906), Whole-time Director, are provided for the information of members.

Brief resume: Shri Shreekant M Bhandiwad, aged 49 years, has been appointed as the Deputy Managing Director of Can Fin Homes Ltd. w.e.f April 28, 2018. He is a Post-Graduate Degree holder in Agricultural Science viz., M.Sc.(Agri) and a CAIIB. Shri Shreekant M Bhandiwad started his career as an Officer in Canara Bank in the year 1994.

Nature of expertise in specific functional areas and experience: Shri Bhandiwad is a senior banker with 25 years of commercial banking experience having served across the States of Haryana, Rajasthan and Karnataka. During his service in the Bank he has headed different branches, Regional Office, Circle Office and various departments at Regional Office and Corporate Office. Before his posting to the Company, he was heading the Rajasthan operations of Canara Bank as Head of Jaipur Circle of the Bank. Prior to this, he had worked in Jaipur Regional Office, Bengaluru Cantonment and Yediyur Branches. He had also worked in Bengaluru Langford Town, Davanagere Regional Office and also in Head Office, Bengaluru. Apart from his successful tenure at various places as above, Shri Bhandiwad carries with him the experience of over eight years at the Managing Director's Secretariat in the Bank.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director, other than Shri Debashish Mukherjee (Executive Director, Canara Bank), Shri S K Hota (General Manager, Canara Bank), Shri S Subramanian (General Manager, Canara Bank), or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Shri Shreekant M Bhandiwad, Dy. Managing Director does not hold directorships in any other listed entities. He is a member of Corporate Social Responsibility Committee, Risk Management Committee, Management Committee and IT Strategy Committee of the Board of your Company.

No. of meetings of the Board attended during the year: Shri Bhandiwad attended 9 meetings during the year out of 10 meetings held.

Shareholding in the Company: Shri Shreekant M Bhandiwad, Dy. Managing Director is not holding any shares in the Company (both own and held by/for other persons on a beneficial basis). He has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from him, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility.

Key terms and conditions of re-appointment: Shri Shreekant M Bhandiwad was appointed as an additional director and whole-time director by the Board on April 28, 2018 and the terms and conditions of his appointment and remuneration was approved by the members at the 31st AGM of the Company held on July 18, 2018. There are no changes in the terms and conditions of his re-appointment and remuneration.

Remuneration: The terms and conditions including remuneration of Shri Bhandiwad, which was approved by the members at the 31st AGM held on July 18, 2018 are reproduced hereunder for your ready reference.

Basic Pay - ₹76,520 per month; Dearness Allowance – Variable; Dearness Allowance [as per index level]; Special Allowance - 11% of Basic Pay + DA; City Compensatory Allowance - ₹870/- per month; Deputation Allowance - 4% of Basic Pay subject to maximum of ₹2000/-per month; House Rent Allowance – As per norms;

Perquisites: Accommodation - If the executive having his own house at the place of deputation he should occupy the same else he is eligible for bank's quarters. If the executive already occupied bank's quarters he is not eligible for house rent allowance; Eligible for Residential Telephone; Eligible for Office Car & Driver;

Other allowances /facilities:

Medical Advances - ₹9050/- per annum; Leave Fare Concession - In a block of 4 years once to native place / place of domicile in the sub block of 2 years by the shortest route and once to any place in India in the II sub block of two years by the shortest route;

Encashment of LFC Facility: An officer by exercising an option any time during a four year block/ two year block as the case may be, surrender and encash his/ her LFC [other than travel to place of domicile] upon which he/ she shall be entitled to receive an amount equivalent to 75% of the eligible fare for the class of travel by train to which he is entitled upto a distance of 5500 kms [one way] for officers in SMG IV & above. The permissible amount of encashment of leave fare concession as per the entitlement as at the prevailing railway fares. Such encashment amount is taxable as per IT rules. Upto 30 days of PL can be encashed once in a period of 4 years while availing LFC;

Leave -Casual Leave: 12 days in a calendar year; Privilege Leave: At the rate of one day for 11 working days — max accumulation is restricted to 270 days.; Sick Leave: 30 days of leave on half pay or 15 days on full pay as sick leave per year, maximum 540 days on half pay additional sick leave: maximum 90 days on half pay;

Contribution to Provident Fund- 10% of the Basic Pay & increment component of FPP & PQP;

On repatriation: Leave Salary corresponding to the leave earned during the period of deputation but not availed shall be payable to the bank.; Gratuity on prorata basis for the period of deputation is payable to the bank,; Club Membership & Reimbursement Towards Newspaper Payable as per bank rules.; During the period of deputation the executive shall be governed by the provisions of Canara Bank [Officers] Service Regulations, 1979 and Canara Bank Officer Employees' [Discipline and Appeal] Regulation 1976 and Canara Bank Officer Employees [Conduct], Regulations, 1976. On repatriation, the deputed organisation shall pay the leave salary, bank's contribution of SPF during the period of deputation and gratuity on prorata basis payable for the period of deputation, to the bank.

Shri Shreekant M Bhandiwad is eligible to receive the above remuneration, allowances etc., as per the service regulations of Canara Bank including revision on account of promotion etc., that may take place from time to time. His remuneration for the year ended March 31, 2019 was ₹19.22 Lakh.

Your directors are of the opinion that Shri Shreekant M Bhandiwad fulfils the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 for such re-appointment and his re-appointment as the Whole-time Director (designated as Deputy Managing Director) would be in the best interest of the Company.

All the registers and declarations relating to Shri Shreekant M Bhandiwad, Dy. Managing Director, are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board of Directors therefore, recommend the re-appointment of Shri Shreekant M Bhandiwad, Dy. Managing Director as proposed at Agenda No.3 of the Notice.

In respect of Agenda No.4 – Appointment of Dr. Yeluri Vijayanand as an Independent Director

The Board of Directors have appointed Dr. Yeluri Vijayanand (DIN- 00594503), on the Board of the Company with effect from August 29, 2018 as an additional director and as Independent Director pursuant to Section 161 and all other applicable provisions of the Companies Act, 2013, on the recommendations of the Nomination Remuneration and HR Committee constituted under Section 178(1) of the said Act. In terms of Section 161 of the Companies Act, 2013, Dr. Yeluri Vijayanand holds office only up to the date of the ensuing Annual General Meeting.

In terms of Section 160 and all other applicable provisions of the Companies Act, 2013, your Company has received a notice in writing from a member signifying their intention to propose the appointment of Dr. Yeluri Vijayanand as an Independent Director of the Company at the ensuing Annual General Meeting. Dr. Yeluri V Vijayanand is willing to act as an Independent Director of the Company, if so appointed and has filed with the Company his consent in writing in Form DIR-2 pursuant to Section 152 of the said Act.

Brief resume: Dr. Yeluri V Vijayanand is PhD in Economics (2011) from University of Mysore, M.A in Economics (1967) from Bangalore University, Bachelor of Laws (1969) from Bangalore University and CAIIB (1978) from Indian Institute of Bankers. He is 71 years old.

Nature of expertise in specific functional areas and experience: Dr. Vijayanand retired from State Bank of India as Deputy Managing Director on August 31, 2007 after serving for more than 37 years. As DMD and Group Executive of Associates and Subsidiaries, he was the nominee director of SBI in all Associate Banks, and non-banking subsidiaries, as also in ARCIL, Thomas Cook India, and CIBIL. He was also on the boards of three overseas subsidiaries/joint ventures of SBI. The other prominent positions held by him were Managing Director of State Bank of Mysore, President and COO of SBICAP, Chief General Manager, Corporate Accounts Group, General Manager (Commercial), Chennai and Vice President, SBI New York.

Post retirement from SBI, he worked as a Corporate Advisor in Nagarjuna Fertilizers and Chemicals Limited, Hyderabad for nine years. He was a non-executive director in three group companies. He was also an independent director in SBI Global Factors Limited, and Caparo Financial Solutions Limited.

He is a visiting faculty at State Bank Staff College and Academy, JNIDB, Institute of Public Enterprise,NALSAR-IIRM, BITS Pilani-

Hyderabad Campus, Osmania University, Bangalore University and University of Mysore.

He was awarded a PhD in Economics by the University of Mysore in 2011 for his thesis on "Impact of Banking Regulations on Indian Commercial Banks: A study of current and emerging issues". He also contributed articles to academic and professional journals, and took part in several conferences and seminars.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Dr. Yeluri Vijayanand does not hold directorships in any other listed entities. He is the Chairman of Nomination, Remuneration & HR Committee and Stakeholder Relationship Committee and a member of the Audit Committee of the Board in the Company.

No. of meetings of the Board attended during the year: Dr. Vijayanand attended 7 meetings during the year out of 7 meetings held during his tenure.

Shareholding in the Company: Dr. Vijayanand is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis) and has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Dr. Yeluri V Vijayanand, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

He has also submitted a declaration to that effect that he meets the criteria of independence as provided in Section 149(6) of the Act and the declarations-cum-undertaking and the Deed of covenants as required under HFCs Corporate Governance (NHB) Directions, 2016.

Remuneration: Dr. Yeluri Vijayanand is eligible to receive sitting fee for attending the meetings of the Board and Committees. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the director in the performance of their role and duties.

Considering the knowledge, profile, expertise, vast and varied experience, criteria of independence and fit and proper criteria, the Nomination Remuneration and HR Committee has recommended for appointment of Dr. Yeluri Vijayanand as an Independent Director and the Board has placed the proposal before the members with its recommendations.

Your directors are of the opinion that Dr. Yeluri V Vijayanand fulfils the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016 for appointment as an Independent Director and his appointment as an Independent Director would be in the best interest of the Company.

Copy of the draft letter for appointment of Dr. Yeluri V Vijayanand as an independent director setting out the terms and conditions and the consents and declarations referred above, would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day and also at the AGM.

In terms of Sec.149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Dr. Yeluri V Vijayanand, being eligible, is proposed to be appointed as an Independent Director from this Annual General Meeting until the conclusion of the Annual General Meeting of the Company of the year 2021.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.4 of the Notice.

In respect of Agenda No.5 - Appointment of Shri S Subramanian as a Director

The Board of Directors of the Company, appointed Shri S Subramanian (DIN 0790141) as an Additional Director of the Company with effect from October 06, 2018 on the recommendations of Nomination, Remuneration & HR Committee and in terms of the Articles of Association of the Company and Section 152 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and related rules. In terms of Section 161 of the Companies Act, 2013, Shri S Subramanian holds office only up to the date of the ensuing Annual General Meeting.

Your Company has received a notice in writing from a member, under Section 160 and all other applicable provisions, if any, of the Companies Act, 2013 signifying their intention to propose the appointment of Shri S Subramanian, as a director of the Company at the ensuing Annual General Meeting.

Shri S Subramanian is willing to act as a Director of the Company, if so appointed and has filed with the Company his consent pursuant to Section 152 of the said Act.

Brief resume: Shri S Subramanian is a graduate in B.Sc., a Diploma holder in Company Law and a Certified Associate of Indian Institute of Bankers (CAIIB). He is 58 years old.

Nature of expertise in specific functional areas and experience: He started his career in Canara Bank in the year 1981 and has more than 36 years of commercial banking experience. During his service in the Bank he has handled various duties at

various branches. He has worked in the Credit Administration & Monitoring Wing (Head Office Bengaluru), Chandigarh Circle Office, Prime Corporate Branch, Bengaluru, Coimbatore Circle Office (Core Credit Group), Perundurai SME Branch, Overseas Business cell (Madurai Circle Office), Kolkata Overseas branch, and various other places. Currently he is the General Manager of Corporate Credit Wing, Canara Bank, Head Office, Bengaluru.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director, other than Shri Debashish Mukherjee (Executive Director, Canara Bank), Shri S K Hota (General Manager, Canara Bank), Shri Shreekant M Bhandiwad (Dy. General Manager, Canara Bank) or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Shri S Subramanian does not hold directorships in any other listed entities. He is member of Audit Committee and Management Committee of the Board in the Company.

No. of meetings of the Board attended during the year: Shri S Subramanian attended 5 meetings during the year out of 5 meetings held during his tenure.

Shareholding in the Company: Shri S Subramanian is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis). He has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Shri S Subramanian, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

Remuneration: Shri S Subramanian is eligible to receive sitting fee for attending the meetings of the Board and Committees. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the director in the performance of their role and duties.

Your directors are of the opinion that Shri S Subramanian fulfills the conditions specified in the Companies Act, 2013 for such appointment and his appointment as a director would be in the best interest of the Company.

The consents and declarations referred above, would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day and also at the AGM.

In terms of Sec.149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Shri S Subramanian, being eligible, is proposed to be appointed as a director, liable to retire by rotation, at the ensuing Annual General Meeting.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.5 of the Notice.

In respect of Agenda No.6 - Appointment of Shri Debashish Mukherjee as a Director

The Board of Directors of the Company, appointed Shri Debashish Mukherjee (DIN 08193978) as an Additional Director of the Company with effect from March 12, 2019 on the recommendations of Nomination, Remuneration & HR Committee, in terms of the Articles of Association of the Company and Section 152 and 161 and all other applicable provisions, if any, of the Companies Act, 2013 and related rules. In terms of Section 161 of the Companies Act, 2013, Shri Debashish Mukherjee holds office only up to the date of the ensuing Annual General Meeting.

Your Company has received a notice in writing from a member, under Section 160 and all other applicable provisions, if any, of the Companies Act, 2013 signifying their intention to propose the appointment of Shri Debashish Mukherjee, as a director of the Company at the ensuing Annual General Meeting. Shri Debashish Mukherjee is willing to act as a Director of the Company, if so appointed and has filed with the Company his consent pursuant to Section 152 of the said Act.

Brief resume: Shri Debashish Mukherjee is an MBA (Finance) from the University of Kolkata. He started his career with Punjab National Bank as a Financial Analyst in scale II in 1994. He is 53 years old.

Nature of expertise in specific functional areas and experience: He joined United Bank of India as an Asst. General Manager (Credit) in the year 2006. He worked in various capacities at Regional Offices, headed Corporate Finance Branch at Kolkata and was Regional Manager of Bihar Region. He has vast experience in Corporate Credit, Credit Monitoring and Recovery. He is an avid reader and has travelled extensively.

Shri Debashish Mukherjee has taken charge as Executive Director of Canara Bank on 19/02/2018. He is overseeing the functions of Risk Management (including Capital planning), Financial Management and subsidiaries, MSME, Credit Administration & Monitoring, stressed Assets Management and Recovery, Inspection, Treasury, International Operations & Corporate Customer Relations. He is also one of the Directors on the Board of Canara Robeco Asset Management Company Limited, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, Higher Education Financing Agency, Canbank Venture Capital Fund Limited, and Canara Bank Securities Limited.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director, other than Shri S K Hota (General Manager, Canara Bank), Shri S Subramanian (General Manager, Canara Bank), Shri Shreekant M Bhandiwad (Dy. General manager, Canara Bank) or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Shri Mukherjee is the Executive Director of Canara Bank. Other than Canara bank and Can Fin Homes Ltd. he does not hold directorships in any listed entities. Shri Mukherjee is the member of Nomination Remuneration & HR Committee and Chairman of the Risk Management Committee of the Board in the Company.

No. of meetings of the Board attended during the year: Shri Mukherjee attended 1 meeting during the year out of 2 meetings held during his tenure.

Shareholding in the Company: Shri Debashish Mukherjee is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis). He has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Shri Debashish Mukherjee, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

Remuneration: Shri Debashish Mukherjee is eligible to receive sitting fee for attending the meetings of the Board and Committees. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the director in the performance of their role and duties.

Your directors are of the opinion that Shri Debashish Mukherjee fulfills the conditions specified in the Companies Act, 2013 for such appointment and his appointment as a director would be in the best interest of the Company.

The consents and declarations referred above, would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day and also at the AGM.

In terms of Sec.149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Shri Debashish Mukherjee, being eligible, is proposed to be appointed as a director, liable to retire by rotation, at the ensuing Annual General Meeting.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.6 of the Notice.

In respect of Agenda No.7 - Re-appointment of Shri Sarada Kumar Hota as Managing Director

Shri Sarada Kumar Hota (DIN-07491088), General Manager of Canara Bank was appointed as the Managing Director of the Company by the Board of Directors at their meeting held on May 19, 2016 and the appointment was approved at the 29th Annual General Meeting (AGM) of the Company held on June 29, 2016, for a tenure of 3 years and subject to further extension in the period of service, if any, by Canara Bank, at such remuneration as he would be entitled to, under the Service Regulations of the Bank subject to any modifications, revisions thereon (including revision on account of promotion etc., that may take place from time to time) payable by way of reimbursement to Canara Bank, subject to the ceiling limit prescribed under Schedule V and Section 197 of the Companies Act, 2013, as amended from time to time.

The Bank has vide its letter FMSW:SD:CFHL:Staff:174:2019 dated April 15, 2019 has informed that the Competent Authority has permitted extension of the term of deputation of Shri S K Hota (59689), General Manager, for a further period of 6 months i.e., till October 05, 2019, as a special case.

The Board of Directors have re-appointed Shri Sarada Kumar Hota for a further tenure upto October 05, 2019 as permitted by Canara Bank and as recommended by the Nomination Remuneration and HR Committee of the Board pursuant to sections 152, 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 and related rules read with Schedule V, including any amendment thereof, with the same terms and conditions and remuneration at which his appointment was approved by the members at the 29th Annual General Meeting of the Company held on June 28, 2016. Shri S K Hota, Managing Director had filed his consent in the prescribed format (DIR-2), to act as the Managing Director for a further tenure.

Brief resume: Shri S K Hota is a Post-Graduate in Agricultural Science and a senior banker with over 28 years of commercial banking experience. He is 52 years old.

Nature of expertise in specific functional areas and experience: Shri S K Hota is a General Manager in Canara Bank. Prior to his posting to the Company he was the Circle head of Nagpur and Jaipur Circles of Canara Bank for 3 years followed by a brief stint at the Recovery Wing of the Bank at Head Office. Apart from his expertise in retail operations, he also carries with him the experience of working in the areas of Human Resources, Strategic Business Planning and Profit Planning at the Head Office of the Bank.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director, other than Shri Debashish Mukherjee (Executive Director, Canara Bank), Shri S Subramanian (General Manager, Canara Bank), Shri Shreekant M Bhandiwad (Dy. General manager, Canara Bank) or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Shri S K Hota does not hold directorships in any other listed entities. He is a member in the Stakeholders Relationship Committee and Corporate Social Responsibility Committee and Chairman of the Management Committee of the Board.

No. of meetings of the Board attended during the year: Shri S K Hota attended 10 meetings during the year out of 10 meetings held during the year.

Shareholding in the Company: Shri S K Hota is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis). He has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 has been received from Shri S K Hota, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such re-appointment.

Key terms and conditions of re-appointment: Shri S K Hota was appointed as the Managing Director by the Board on May 19, 2016 and the terms and conditions of his appointment and remuneration was approved by the members at the 29th AGM of the Company held on June 28, 2016. There are no changes in the terms and conditions of his re-appointment and remuneration.

During the extended period of deputation i.e. from May 19, 2019 to October 05, 2019, Shri S K Hota will be entitled for the remuneration which he was drawing just before his re-appointment at the same terms under the Service Regulations of the Bank, paid by way of reimbursement to Canara Bank as per the terms of his appointment approved by the members at the 29th Annual General Meeting of the Company held on June 29, 2016, which is within the ceiling limit prescribed under Schedule V and section 197 of the Companies Act, 2013.

The terms and conditions of appointment and the remuneration payable to Shri Sarada Kumar Hota as Managing Director, as detailed in the explanatory statement placed before the members at the 29th AGM, are given below for your ready reference:

Remuneration: Basic Pay – ₹76,520 per month; Dearness Allowance - Variable Dearness Allowance [as per index level]; Special Allowance - 11% of Basic Pay + DA; City Compensatory Allowance – ₹870/- per month; Deputation Allowance - 4% of Basic Pay subject to maximum of ₹2000/-per month; House Rent Allowance – As per norms;

Perquisites: Accommodation - If the executive has his own house at the place of deputation he should occupy the same else he is eligible for bank's quarters. If the executive has already occupied bank's quarters, he is not eligible for house rent allowance; Eligible for Residential Telephone; Eligible for Office Car & Driver;

Other allowances /facilities:

Medical Advances – ₹9050/- per annum;

Leave Fare Concession- In a block of 4 years once to native place / place of domicile in the sub block of 2 years by the shortest route and once to any place in India in the II sub block of two years by the shortest route;

Encashment of LFC Facility: He has an option to exercise, any time during a four-year block/ two-year block as the case may be, surrender and encash his/ her LFC [other than travel to place of domicile] upon which he shall be entitled to receive an amount equivalent to 75% of the eligible fare for the class of travel by train to which he is entitled upto a distance of 5500 kms [one way] for officers, as applicable. The permissible amount of encashment of leave fare concession is as per the entitlement as at the prevailing railway fares. Such encashment amount is taxable as per Income Tax rules. Upto 30 days of PL can be encashed once in a period of 4 years while availing LFC;

Leave -Casual Leave: 12 days in a calendar year; Privilege Leave: At the rate of one day for 11 working days — max accumulation is restricted to 270 days.; Sick Leave: 30 days of leave on half pay or 15 days on full pay as sick leave per year Maximum 540 days on half pay additional sick leave: maximum 90 days on half pay;

Contribution to Provident Fund- 10% of the Basic Pay & increment component of FPP & PQP;

On repatriation: Leave Salary corresponding to the leave earned during the period of deputation but not availed shall be payable to the bank.; Gratuity on prorata basis for the period of deputation is payable to the bank,; Club Membership & Reimbursement Towards Newspaper Payable as per bank rules; During the period of deputation, he shall be governed by the provisions of Canara Bank [officers] service regulations, 1979 and Canara Bank officer employees' [discipline and appeal] regulation 1976 and Canara Bank officer employees [conduct] regulations, 1976. On repatriation, the deputed organisation shall pay the leave salary, bank's contribution of

SPF during the period of deputation and gratuity on prorata basis payable for the period of deputation, to the bank.

Shri Sarada Kumar Hota is eligible to receive the above remuneration, perquisites, allowances etc., as per the service regulations of Canara Bank including revision on account of promotion etc., that may take place from time to time. His remuneration for the year ended March 31, 2019 was ₹22.57 Lakh.

Your directors are of the opinion that Shri S K Hota fulfills the conditions specified in the Companies Act, 2013 for such re-appointment as the Managing Director for a further tenure would be in the best interest of the Company.

All the registers, files, details of remuneration as detailed in the Explanatory Statement of the Notice of 29th AGM dated June 28, 2016 relating to Shri S K Hota, Managing Director, are available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.7 of the Notice for re-appointment of Shri S K Hota for a further tenure upto October 05, 2019 and for ratification of all the acts, deeds, matters and things done by Shri S K Hota, as Managing Director from May 19, 2016 till the date of the ensuing AGM.

In respect of Agenda No.8: Acceptance of deposits from public

The Company has been accepting deposits from the public since inception. With the business operations of the Company growing, Company's requirements for additional funds are increasing. The Company intends to continue to accept deposits from the public. However, in terms of section 73(2) and 76 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, as amended from time to time, effective from April 01, 2014 the Company is exempt from applicability of the provisions under the Companies (Acceptance of Deposits) Rules, 2014 for the purpose of acceptance of deposits from public since your Company is a Housing Finance Company registered with National Housing Bank (NHB).

Your Company being a Housing Finance Company registered with NHB, has been following the Directions/guidelines issued by the NHB from time to time with regard to acceptance and renewal of deposits and will continue to follow the Directions/ Guidelines issued by NHB from time to time. In terms of the NHB Directions, the Company's aggregate public deposits shall not exceed five times of the net owned funds of the Company as per its last audited Balance Sheet.

In order to be eligible for accepting deposits from the public in terms of section 73(2) of the Companies Act, 2013, the Company is seeking the prior consent of the members by way of an ordinary resolution, subject to the condition that the amount accepted in the form of deposits from public together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1)(c) of the Companies Act, 2013.

All the related documents and registers referred in the Notice, which do not form part of the Annual Report, if any, are available for inspection at the Registered Office of the Company.

No Director(s) or any Key Managerial Personnel or the relative(s) of the director(s) or Key Managerial Personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.8 of the Notice.

In respect of Agenda No.9 – Related Party Transactions/ Arrangements

In terms of Section 188 of the Companies Act, 2013 and Companies (Amendment) Act, 2015 and 2017, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, a Company shall not enter into any contract or arrangement with a related party for transactions for amounts exceeding the threshold limits prescribed under Rule 15 referred above, except with the prior approval of the Company by a resolution.

In terms of Regulation 23 of SEBI (LODR) Regulations, 2015, which has come into operation with effect from October 01, 2015, as amended from time to time (latest vide notification dated May 09, 2018), all material Related Party Transactions (transactions exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company) shall require prior approval of the shareholders through ordinary resolution and no related party shall vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

The Company has been entering into contracts and arrangements with the promoter and sponsor bank viz., Canara Bank since incorporation, in the ordinary course of business. The Company has been maintaining current accounts for business transactions, availing term loans, overdraft facilities, making payment of interest, placing short term/long term deposits to meet the statutory liquidity limits (SLR purpose), and collecting / recovering interest thereon, lease out the business or residential premises, if any of the Company to the Bank on rent or occupy any business or residential premises of the Bank on rent, pay bank charges to the bank, etc.

Further the Company has also been availing the services of Canbank Computer Services Ltd., a subsidiary of the Sponsor Bank, as the Registrar or Share Transfer Agents of the Company

(RTA), in the ordinary course of business. The Company has registered itself with IRDA for carrying out Corporate Insurance Agency Business and has entered into Distribution Agreement and Service Level Agreement with 'Canara HSBC OBC Insurance Co. Ltd., (CHOICe) and started earning Commission since December 2017.

The Company, at the 31st Annual General Meeting of the Company held on July 18, 2018, obtained consent of the shareholders by passing a special resolution (was required as per Clause 49 of the listing agreement) for entering into any contract or any kind of arrangements with the related party(ies) viz., Canara Bank, the sponsor Bank of the Company and/or their subsidiaries /joint ventures for any transaction of whatever nature for an amount not exceeding ₹5,000 Crore.

The overall related party transactions of the Company with Canara Bank outstanding as on March 31, 2019 was ₹4032.23 Crore, as against ₹2568.05 Crore as on March 31, 2018. Further, the aggregate related party transactions as on March 31, 2019 is amounted to ₹3965.50 Crore as against ₹2713.38 Crore as on March 31, 2018 (Note no. 42(B) of audited financial statement).

Considering the increase in the volume of transactions entered with the related parties and expected future transactions, the Company proposes to increase the aggregate amount of transactions/arrangement with the related parties from ₹5,000 Crore to ₹6,000 Crore. Hence, the proposed related party transactions are material transactions and prior approval of the Company is sought by way of ordinary resolution.

All the related documents and registers referred in the Notice, which do not form part of the Annual Report, if any, are available for inspection at the Registered Office of the Company.

None of the directors are related inter-se. No Director, other than Shri Debashish Mukherjee (Executive Director, Canara Bank), Shri S K Hota (General Manager, Canara Bank), Shri S Subramanian (General Manager, Canara Bank), Shri Shreekant M Bhandiwad (Dy. General manager, Canara Bank) or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board of Directors therefore, recommend the passing of the resolution proposed at Agenda No.9 of the Notice.

In respect of Agenda No.10 - Re-appointment of Sri G Naganathan as an Independent Director

Proposal: Shri G Naganathan (DIN- 00423686) was appointed on the Board of the Company with effect from September 07, 2016 as an Additional Director (Independent Director). He was appointed as an Independent Director in terms of Section 149 and 152 of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV of the Companies Act, 2013, by the members at the 30th Annual General Meeting of the Company held on June 28, 2017. As per the terms of appointment his tenure will come to an end on the conclusion of the 32nd Annual General Meeting of the Company for the year 2019 i.e., July 17, 2019.

Your Company has received a notice in writing from a member, under Section 160 and all other applicable provisions, if any, of the Companies Act, 2013 signifying their intention to propose the re-appointment of Shri G Naganathan, as an Independent Director of the Company at the ensuing Annual General Meeting. Shri G Naganathan is willing to act as an Independent Director of the Company, if so appointed and has filed with the Company his consent in writing in Form DIR-2 pursuant to Section 152 of the said Act.

The Nomination Remuneration and HR Committee has determined Shri G Naganathan to be fit and proper to continue as an Independent Director of the Company at their meeting held on May 22, 2019 and recommended to the Board for his re-appointment for further tenure of three years i.e., commencing from the conclusion of 32nd Annual General Meeting until the conclusion of Annual General Meeting of the Company of the year 2022.

The Board of Directors have approved the proposal for re-appointment of Shri G Naganathan and recommended the proposal to the members for re-appointment of Shri G Naganathan for a further tenure of three years.

Brief resume: Shri G Naganathan is a rank holder in Chartered Accountancy and Cost Accountancy. He has completed the Diploma in Information Systems Audit, Courses in Certified Information Systems Auditor and also Valuation Certificate. Presently, he is the Managing Partner in M/s. R K Kumar & Co., Chartered Accountants. He is 56 years old.

Nature of expertise in specific functional areas and experience: Shri G Naganathan has put in a practice of 35 years in R K Kumar & Co. His areas of practice and expertise include statutory and related attestation services, consultancy in direct taxes and FEMA and management advisory services. Shri G Naganathan is involved in the audit of banking and Insurance companies, representation before various adjudicating authorities for the last three decades. He also has been involved in monitoring of large sick companies on behalf of consortium of banks.

Disclosure of relationships between directors inter-se: None of the directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

Names of listed entities (other than Can Fin Homes Ltd.) in which the director holds directorship and the membership of Committees of the Board: Shri G Naganathan does not hold directorships in any other listed entities. Shri G Naganathan,

Independent Non-executive Director, is the Chairperson of Audit Committee and IT Strategy Committee. He is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination Remuneration and HR Committee of the Board of your Company.

No. of meetings of the Board attended during the year: Shri G Naganathan attended 10 meetings during the year out of 10 meetings held during his tenure.

Shareholding in the Company: Shri G Naganathan is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis). He has not availed any loan from the Company.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Shri G Naganathan, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

He has also submitted a declaration to that effect that he meets the criteria of independence as provided in Section 149(6) of the Act and the declarations-cum-undertaking and the Deed of covenants as required under HFCs Corporate Governance (NHB) Directions, 2016.

Remuneration: Shri G Naganathan is eligible to receive sitting fee for attending the meetings of the Board and Committees. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the director in the performance of his role and duties.

Justification for choosing the appointee as ID: Considering the knowledge, profile, expertise, vast and varied experience, criteria of independence and fit and proper criteria, the Nomination Remuneration and HR Committee has recommended for re-appointment of Shri G Naganathan as an Independent Director and the Board has placed the proposal before the members with its recommendations.

Performance evaluation summary: The Board has evaluated the performance of Shri G Naganathan, based on the criteria of evaluation formulated by the Nomination Remuneration and HR Committee. The criteria of evaluation comprised qualification, knowledge, skills, prior experience, competency, availability, attendance, contribution, commitment, integrity (conflict of interest disclosure, maintenance of confidentiality etc.), guidance and support to management, independence criteria, independence from the management, exercise of his own judgement, etc. Based on the report of performance evaluation, the Board has determined to extend the tenure of appointment of Shri G Naganathan.

Your directors are of the opinion that Shri G Naganathan fulfils the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016 for re-appointment as an Independent Director and his re-appointment as an Independent Director for a further tenure of three years would be in the best interest of the Company.

Copy of the draft letter for appointment of Shri G Naganathan as an independent director setting out the terms and conditions and the consents and declarations referred above, would be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day and also at the AGM.

In terms of Sec.149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Shri G Naganathan, being eligible, is proposed to be re-appointed as an Independent Director for a further period of three years from the conclusion of this 32nd Annual General Meeting until the conclusion of the Annual General Meeting of the Company of the year 2022.

The Board of Directors therefore, recommend the passing of the special resolution proposed at Agenda No.10 of the Notice.

In respect of Agenda No.11 –To borrow amounts not exceeding ₹23,000 Crore

At the 31st Annual General Meeting (AGM) of the Company held on July 18, 2018, consent of the shareholders was obtained u/s.180(1)(c) and all other applicable provisions, if any, of the Companies Act 2013, by way of a special resolution, to the Board of Directors of the Company for borrowing monies in excess of the aggregate of the paid up capital and free reserves of the Company upto a sum of ₹20,000 Crore (including temporary loans obtained from the Company's Bankers in the ordinary course of business). At the 28th Annual General Meeting held on July 08, 2015, the shareholders have authorised the Board of Directors of the Company to create security to the extent of the borrowing limits approved by the members from time to time.

In view of the overall increase in the business activities of the Company i.e., expected loan book size and considering the net owned funds and additional working capital requirements, it is considered desirable to increase the Company's existing borrowing limit of ₹20,000 Crore to ₹23,000 Crore. In order to comply with the requirements under Section 180(1)(c) of the Companies Act, 2013, consent of the members is sought through the resolution(s) proposed at Agenda No.11 by way of special resolution to enable the Board of Directors of the Company to borrow moneys upto a sum of ₹23,000 Crore (Rupees Twenty Three Thousand Crore) only, including the temporary loans obtained from Company's Bankers in the ordinary course of business. Accordingly, the aggregate amounts borrowed, which are outstanding at a given point of time shall not exceed the limit of ₹23,000/- Crore as recommended by the Board to the members for their consent.

As per NHB guidelines the maximum amount that the Company can borrow shall not exceed 16 times of the Net Owned Funds as per the last Audited Balance Sheet. As on March 31, 2019, the NOF is ₹1,600.76 Crore (net of dividend pay-out) and hence our borrowing limit shall not exceed ₹25,612 Crore for the year 2019-20. We shall restrict our aggregate borrowings to ₹23,000 Crore which is less than 16 times the Net Owned Fund (NOF) as per the audited results of the Company. The borrowings of the Company include term loans, overdraft facilities, issue of non-convertible debentures, commercial papers, acceptance of deposits from public etc.

All the related documents and registers referred in the Notice, which do not form part of the Annual Report, if any, are available for inspection at the Registered Office of the Company.

None of the directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said resolutions, except for borrowings, if any, from Canara Bank, in which case Shri S K Hota, Managing Director, Shri S M Bhandiwad, Dy. Managing Director, Shri Debashish Mukherjee, Director (Executive Director of Canara Bank) and Shri S Subramanian, Director (General Manager of Canara Bank) shall be deemed to be the interested directors.

The Board of Board of Directors therefore, recommend the passing of the special resolution proposed at Agenda No.11 of the Notice.

In respect of Agenda No.12 - Offer or invitation for subscription for Non-Convertible Debentures (NCDs) aggregating to ₹6,000 Crore on private placement.

In terms of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013, a Company may, subject to the provisions of that section, make an offer or invitation for subscription of securities including non-convertible debentures by way of private placement.

Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/ Guidelines by the Regulators or any other statutory authorities issued from time to time, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the Company by a Special Resolution, for each of the offers or invitations. In case of an offer or invitation for subscription to the Non-Convertible Debentures (NCD), it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

Keeping in view the increasing volume of business of the Company, alternative sources of funding and cost of each of the sources, and subject to the provisions of Section 42 of Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions of the said Act, Directions/ Guidelines by the Regulators or any other statutory authorities issued from time to time, your Company intends to offer or invite subscription of bonds or NCDs or tier II bonds, onshore and/or offshore, denominated in Indian Rupees and/ or any foreign currency, for cash either at par or premium or at a discount to face value, issuance of Redeemable Non-Convertible Debentures (NCDs), secured or unsecured, such other securities described above upto an amount of ₹6,000 Crore (Rupees Six Thousand Crore) only, on private placement basis for a period of one year from the conclusion of the 31st AGM until the conclusion of the next AGM, in one or more tranches, subject to the condition that the amount accepted in the form of the said Non-Convertible Debentures / Bonds / such other securities together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1)(c) of Companies Act, 2013.

The terms of issue of the above NCDs would depend upon the requirement of the funds, time of issue, market conditions and alternative sources of funds available to the Company and would be decided by the Board or the Committee, if any constituted by the Board. All the required details/disclosures relating to the issue would be made available in the standard/shelf disclosure document or respective information memorandum, as the case may be.

In order to issue Non-Convertible Debentures/bonds as per the proposed resolutions by way of an offer or invitation for subscription on private placement and in terms of the above mentioned provisions of the Companies Act, 2013, amended Act 2017 and rules, subject to Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, the prior consent of the members is sought by way of a Special Resolution.

All the related documents and registers referred in the Notice, which do not form part of the Annual Report, if any, are available for inspection at the Registered Office of the Company.

None of the directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said resolutions.

The Board of Board of Directors therefore, recommend the passing of the special resolution proposed at Agenda No.12 of the Notice.

In respect of Agenda No.13 – Further issue of shares/ specified securities

As per the Business Plan of the Company for 2019-20, ₹23,000 Crore has been projected as outstanding loan book as on March 31, 2020. Considering the thrust on smart cities, affordable housing and various Government initiatives declared in the Union Budget and above all the 'Housing for all' initiative of the Government by 2022, the years ahead may witness much higher growth levels. Further, as observed from the recent trends, the growth is expected to gain momentum in the coming years. The Company has projected a loan book of ₹40,000 Crore under its 'Vision 2022'.

In tune with the above projections, the expected growth rate of our loan book and the borrowings, a need is felt to infuse fresh capital to build in adequate cushion in the borrowing capacity of the Company for next 3 - 4 years and to keep the Capital Adequacy Ratio (CAR) as well as leverage ratio at a comfortable level.

The Capital Adequacy Ratio of the Company as on March 31, 2019, was at 16.44%, which was well above the regulatory requirement of 12%. However, the Leverage Ratio is expected to remain above 10% over a period of time and CAR is also expected to deplete faster as growth picks up. Hence, increase in the Tier-1 capital is required to ensure that Company's growth does not suffer on account of leverage ratio limiting the borrowing power to fund the same.

At the 31st AGM of the Company held on July 18, 2018, members authorized the Board of Directors of the Company for raising Tier I Capital not exceeding and amount of ₹1000 Crore by way of issue of shares by qualified institutions placements (QIP) and preferential Shares to promoters to maintain their shareholding at the present levels post QIP and/or issue of equity shares through rights issue and/or any other permissible securities. Since the growth did not pick-up as expected and the Company continues to deliver a better ROE, superior internal accruals have kept the CAR as well as leverage ratio at comfortable levels. Hence, the Company did not raise any capital during 2018-19, though approval was taken from the members.

Considering the cost, benefit, requirement of time etc., with reference to each of the alternative modes of raising funds to improve the Leverage Ratio of the Company, the Board has now recommended to raise funds not exceeding ₹1,000 Crore, through any/mix of allotment of shares through QIP mode, preferential shares to promoters, subject to the willingness of promoters, and Rights Issue.

This special resolution seeks to empower the Board to create, issue, offer and allot either in India or in the course of international offerings in one or more foreign markets, Equity Shares of the Company of face value of ₹2/- each, in one or more tranches through a private offering pursuant to a Qualified Institutions Placement ("QIP") by the issue of a placement document to Qualified Institutional Buyers in terms of the SEBI (ICDR) Regulations and/or on preferential allotment basis to the promoter subject to their willingness, or by any other mode of further issue of specified securities or any combination thereof, for an amount not exceeding an aggregate of ₹1000 Crore (Rupees One Thousand Crores only), inclusive of such premium at such price(s) and on such terms and conditions as may be deemed appropriate by the Board (which term shall be deemed to include any committee thereof which the Board may constitute / have constituted) at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

The Board shall issue Securities pursuant to this special resolution and utilize the proceeds for business purposes, including but not limited to meet capital expenditure and working capital requirements of the Company, repayment of debt, exploring acquisition opportunities and general corporate purposes.

The special resolution seeks to empower the Board to issue the specified securities through issue of prospectus and / or placement document/ or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers ("QIBs") or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, insurance companies, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of equity shares of the Company or not (collectively called the "Investors") as may be decided by the Board.

The special resolution also seeks to empower the Board to offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as may be determined by the Board.

As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the SEBI ICDR Regulations and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the documents referred in the Notice are available for inspection at the Registered Office of the Company.

The Board of Directors therefore, recommend the passing of the special resolution proposed at Agenda No.13 of the Notice.

The Directors or key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies / institutions in which they are Directors, members or employees.

In respect of Agenda No.14 — Alteration of Articles of Association - dispense with use of Common Seal

The Company by nature of its business is required to execute various agreements, deeds and documents with National Housing Bank and other Banks and financial institutions, debenture trustees, stock exchanges for listing and contracts with other outside parties.

Article 30 of the Articles of Association (AOA) of the Company prescribes modalities of use of Common Seal of the Company on such agreements, deeds and documents to be executed on behalf of the Company. Also, as per existing Article 7 of Articles of Association (AOA) of the Company every share certificate of the Company shall be issued under the Common Seal.

Use of Common Seal has been made optional under the Companies Act, 2013. It will be convenient for execution of documents without Common seal since affixing the same shall be in the presence of two directors and one of whom shall be a Managing Director and the same shall be witnessed by the Company Secretary. Dispensing with the use of Common Seal will not come in the way of normal and smooth functioning of the Company. In view of the same, for administrative convenience and to hasten execution of such documents on behalf of the Company it is proposed to alter the existing AOA of the Company by removing provisions as relates use of Common Seal in AOA.

Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a Special Resolution.

The Board of Directors recommend the resolution set forth in Agenda no. 14 for the approval of the members.

A copy of the existing Articles of Association of the company as well as the specimen of the amended Articles of Association of the company is available for inspection by Members at the registered office of the company on any working day during office hours of the company.

None of the Director and Key Managerial Personnel of the Company and the relatives of the directors or Key Managerial Personnel is concerned or interested, financially or otherwise, in the said resolutions.

By Order of the Board of Directors
For Can Fin Homes Ltd.

Sd/-
Veena G Kamath
AGM & Company Secretary

Place: Bengaluru
Date: May 22, 2019

Registered Office:
No.29/1, 1st Floor,
Sir M N Krishna Rao Road, near Lalbagh West Gate,
Basavanagudi, Bengaluru – 560 004
CIN: L85110KA1987PLC008699

ROUTE MAP

NIMHANS Convention Center, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka - 560029



Bus Route Nos. from Kempe Gowda Bus Station / Majestic to NIMHANS:
Frequent Buses - 171, 340A, 342F, 356, 356M, 360B, 365, 365D, 365J, 369D, KBS3A, KBS3C, KBS3E, V356C, V356N, V360B & V365

Can Fin Homes Ltd
(Sponsor : CANARA BANK)
HOME LOANS ✦ DEPOSITS
Translating Dreams into Reality
ಕ್ಯಾನ್ ಫಿನ್ ಹೋಮ್ಸ್ ಲಿ.

Registered Office
No. 29/1, 1st Floor, Sir M N Krishna Rao Road,
Near Lalbagh West Gate, Basavanagudi, Bengaluru – 560 004
• Tel :080 26564259 • Fax:080 26565746
E-mail:compsec@canfinhomes.com
• Web: www.canfinhomes.com CIN: L85110KA1987PLC008699

ATTENDANCE SLIP

(To be presented at the Registration counter)

I hereby record my presence at the Thirty-second Annual General Meeting to be held on Wednesday, the July 17, 2019 at 11.00 a.m. at the NIMHANS Convention Centre, Hosur Road, Lakkasandra, Bengaluru, Karnataka 560029.

Name of the Shareholder(s) ..... (In Capital Letters)

Name of the Proxy or Authorised Representative of the Company/Institution .....

..... (In Capital Letters)

I Certify that I am a member of the Company/ proxy/ authorised representative for the member.

Signature of Shareholder(s) OR Proxy OR Authorised Representative .....

*Reg. Folio No. ..... No. of shares held

**DPID & Client ID No. .....

Notes:

1. A Proxy attending on behalf of Shareholder(s) should write the name of the Shareholder(s) from whom he holds Proxy.
2. Members are requested to bring their copy of the Annual Report to the Meeting.
3. Please fill-up this attendance slip and hand over at the Registration counter(s) at the Venue.

*Applicable for investors holding shares in physical form.

**Applicable for investors holding shares in electronic/dematerialised form.

Can Fin Homes Ltd
(Sponsor : CANARA BANK)
HOME LOANS • DEPOSITS
Translating Dreams into Reality
ಕ್ಯಾನ್ ಫಿನ್ ಹೋಮ್ಸ್ ಲಿ.

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Near Lalbagh West Gate, Basavanagudi, Bengaluru – 560 004
• Tel :080 26564259 • Fax:080 26565746
E-mail:compsec@canfinhomes.com
• Web: www.canfinhomes.com CIN: L85110KA1987PLC008699

PROXY FORM (Form No. MGT-11)

[Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) :.....

Registered address :.....

E-mail Id :.....

Folio No./ Client ID or DP ID:.....

I/We, being the member(s) holding _____ equity shares of the above named Company, hereby appoint:

1. Name: .....

   E-mail ID: .....

   Address: .....

   Signature: _____ **Or failing him/her**

2. Name: .....

   E-mail ID: .....

   Address: .....

   Signature: _____**Or failing him/her**

3. Name: .....

   E-mail ID: .....

   Address: .....

   Signature: _____

as my/our **proxy to attend and vote** (on a poll, physical or electronic) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, the 17th day of July 2019 at 11.00 a.m. at the `NIMHANS Convention Centre', Hosur Road, Bengaluru, Karnataka 560029 and/or at any adjournment thereof in respect of such resolutions as are indicated below:

Agenda No.	Subject/Resolution	Vote	
		For	Against
	Ordinary Resolutions		
1	Consideration and adoption of audited financial statements for the year ended March 31, 2019 together with the Reports of Directors and Auditors.		
2	Declaration of dividend of ₹2/- per equity share for the financial year ended March 31, 2019.		
3	Re-appointment of Shri Shreekant M Bhandiwad as Whole-time Director retiring by rotation and being eligible offering himself for re-appointment.		
4	Appointment of Dr. Yeluri Vijayanand as an Independent Director		
5	Appointment of Shri S Subramanian as a Director		
6	Appointment of Shri Debashish Mukherjee as a Director		
7	Re-appointment of Shri Sarada Kumar Hota as Managing Director		
8	Acceptance of deposits from public		
9	Approval for Related Party Transactions / Arrangements		
	Special Resolutions		
10	Re-appointment of Shri G Naganathan, FCA, as an Independent Director		
11	Authorisations to borrow amounts not exceeding ₹23,000 Crore.		
12	Approval for invitation for subscription for Non-Convertible Debentures (NCD) or bonds, secured or unsecured, on-shore or off-shore of any nature upto an amount not exceeding ₹6000 Crore on private placement.		
13	Further issue of securities through QIP and/or preferential issue of an amount not exceeding ₹1000 Crore.		
14	Alteration of Articles of Association - Deletion of clauses relating to 'Common Seal'		

Signed this .....day of 2019

AFFIX REVENUE STAMP

Signature of shareholder

Signature of Proxy holder(s)

Notes:

(a) A member who is entitled to attend the meeting and vote thereat, is entitled to appoint a proxy.
(b) A proxy can vote on behalf of the member only on a poll but shall not have the right to speak at the Annual General Meeting.
(c) A proxy need not be a member of the Company.
(d) A person can act as a proxy on behalf of members not exceeding 50 and aggregate holding of not more than 10% of the total share capital of the Company.
(e) A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
(f) It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the `for' or `against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/she may deem appropriate.
(g) Proxies (this form) in order to be valid must be deposited at the Company's Registered Office not less than 48 hours before the time fixed for the meeting or holding the adjourned meeting in relation to which the proxy is given.
(h) Please refer to the Notes section of the Notice of the 32nd Annual General Meeting of the Company for further related details.

Can Fin Homes Ltd

Annual Report 2018-19

Can Fin Homes Ltd
(Sponsor : CANARA BANK)
HOME LOANS + DEPOSITS
Translating Dreams into Reality
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Capitalising on Opportunities.

Sustaining Growth.

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Financial Statements

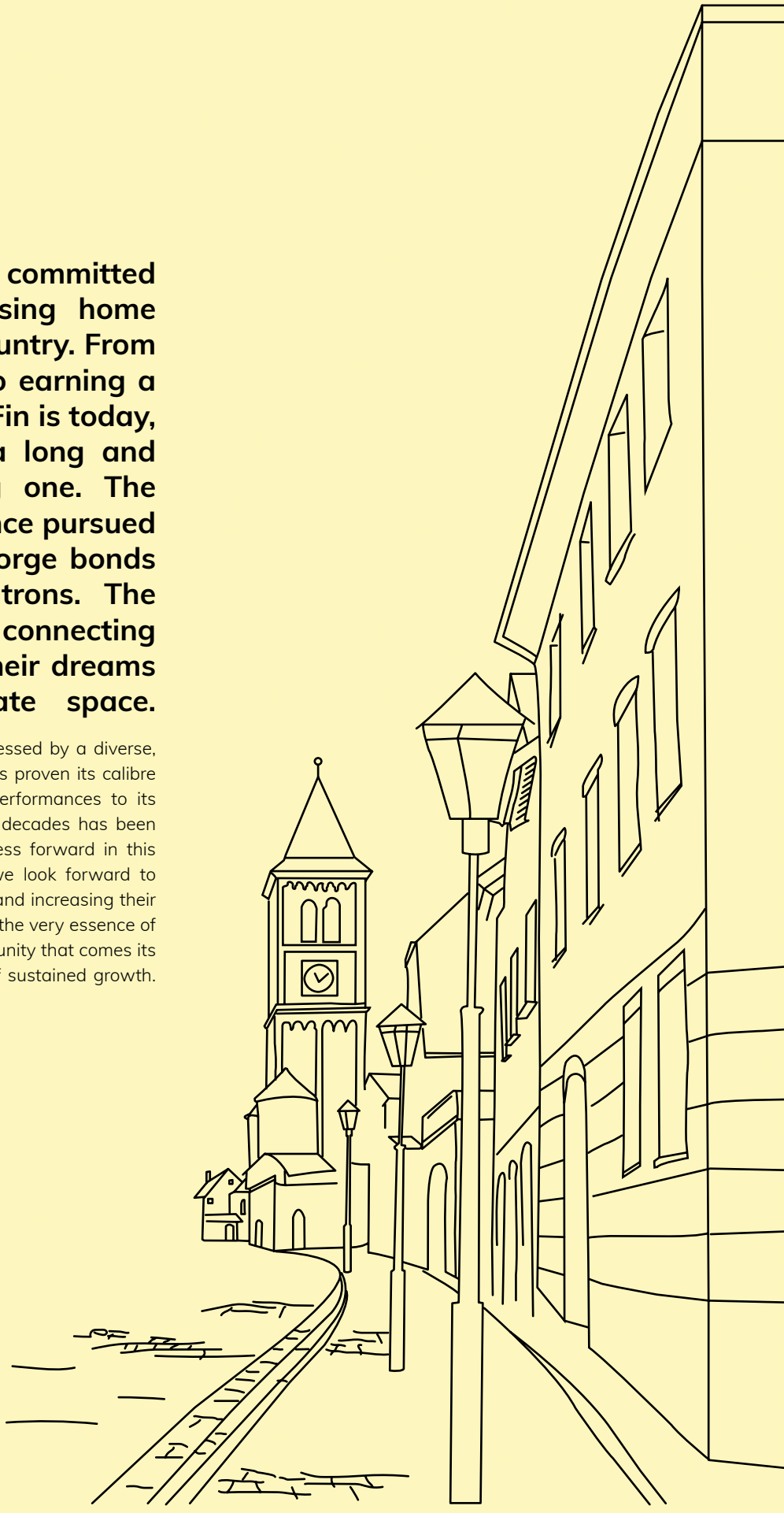
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Traversing on the path of success requires persistence and perseverance. The recent period has been a testing time for HFCs and financial institutions. However, we at Can Fin remained steadfast in our outlook and continued to explore new vistas, opportunities endeavouring to sustain the momentum.

Can Fin has always been committed to its cause of increasing home ownership across the country. From our modest beginning to earning a credible name that Can Fin is today, the journey has been a long and arduous but rewarding one. The motto of friendship finance pursued by the company helps forge bonds with our esteemed patrons. The Company believes in connecting the people of India to their dreams of building an intimate space.

Powered by a pan India presence and blessed by a diverse, skilled and zealous workforce, Can Fin has proven its calibre time and again. With strong financial performances to its credit, Can Fin's existence for over three decades has been worthwhile. While we continue to progress forward in this journey of providing homes to people, we look forward to enhancing the smiles of our beneficiaries and increasing their sense of well-being and security. After all, the very essence of a business is to capitalize on every opportunity that comes its way in order to carry forward a legacy of sustained growth.



To know more about us
in digital mode,
scan this QR code in your
QR mobile application.

Corporate Information

Can Fin Homes Limited

Registered Office

#29/1, 1st Floor, Sir M N Krishna Rao Road
Near Lalbagh West Gate, Basavanagudi, Bengaluru 560004
Tel : 080-26564259; Fax : 080-26565746
Email : investor.relationship@canfinhomes.com
Web: www.canfinhomes.com

Statutory Auditors

M/s Varma & Varma
424, 4th C Main
6th Cross, OMBR Layout Banaswadi, Bangalore 560043

Secretarial Auditors

M/s. S Kedarnath & Associates
004 Ojus Apartments, 4th Main Road Malleshwaram,
Bangalore 560003

Principal Banker

Canara Bank, Prime Corp. Branch, MG Road, Bengaluru

Other Bankers

• State Bank of India • HDFC Bank Ltd. • Federal Bank • Lakshmi Vilas Bank • Corporation Bank

Registrar & Transfer Agent

Canbank Computer Services Limited

Unit: Can Fin Homes Ltd.,
R&T Center, #218, JP ROYALE, 1st Floor, Sampige Road,
2nd Main, Near 14th Cross, Malleshwaram,
Bengaluru - 560003
Tel : 080-23469661, Email : canbankrta@ccsl.co.in
Website: www.ccsl.co.in
CIN : U85110KA1994PLC016174

Debenture Trustee

SBICAP Trustee Company Limited

6th Floor, Apeejay House, 3, Dinshaw Wachha Road,
Churchgate, Mumbai 400020
Tel : 022-43025555, Fax : 022-43025500
Email : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com
CIN: U65991MH2005PLC158386

Corporate Identity Number

L85110KA1987PLC008699

Legal Entity Identifier(LEI) Number

335800EJ9Y3XDP5ZDH81

Senior Management Personnel*

At Registered Office

Smt Shamila M, GM (KMP)
Shri Atanu Bagchi, DGM & CFO (KMP)
Shri B M Sudhakar, DGM
Smt Veena G Kamath, AGM & CS (KMP)
Shri Sikhin Tanu Shaw, AGM
Shri Prashanth Joishy, AGM
Shri S Mohana Krishnan, CM

In Operations

Shri Ajay Kumar G Shettar, DGM, BLR–CPC & Cluster head
Shri N Babu, DGM, HYD–CPC & Cluster head
Shri Prashanth Shenoy, DGM, NCR-New Delhi & Cluster head
Shri R Murugan, DGM, CHN–Annasalai & Cluster head
Shri Prakash Shanbogue B, DGM, MUM-Borivili & Cluster head
Shri M Sundar Raman, AGM, BLR-Koramangala
Shri Jagadeesha Acharya, AGM, HYD-Taranaka
Shri Sanjay Kumar J, AGM, NCR-Faridabad
Shri Srinivas Malladi, AGM, HYD-Kukatpally
Shri P S Mallya, AGM, BLR-Sarjapur Road
Shri A Uthaya Kumar, AGM, CBE, Gandhipuram
Shri K Srinivas, AGM, Vijayawada
Shri Arun Kumar V, AGM, MUM-Panvel
Shri H R Narendra, AGM, BLR-Hesarghatta Road
Shri D R Prabhu, AGM, Indore
Shri Vinayaka Rao M, AGM, BLR-Cunningham Road
Shri R Hariharasubramanian, AGM, NCR-Noida
Shri Santosh Prakash Srivastav, AGM, NCR-Gurgaon
Shri R Madhu Kumar, Chief Manager, Trivandrum
Shri Jayakumar N, Chief Manager, CHN-Ambattur
Shri S N Venkatesh, Chief Manager, Hubli
Shri P Badri Srinivas, Chief Manager, Bhopal
Smt Chitra Srinath, Chief Manager, BLR-Bidadi
Shri N Sivasankaran, Chief Manager, Salem
Shri T T Achuthanand, Chief Manager, HYD - Kompally
Shri M Naveen Prabhu, Chief Manager, Visakhapatnam
Smt Mallika K Shetty, Chief Manager, BLR-Uttarahalli
Shri J Meenakshi, Chief Manager, BLR-Kengeri
Shri K S Kamath, Chief Manager, Mangalore
Shri G Pramodachandra, Chief Manager, BLR-Sahakarnagar
Shri Arunkumar Shastri, Chief Manager, Ahmedabad
Smt Rashmi Kanta Satapathy, Chief Manager, HYD - L B Nagar
Shri R Jabak Kumar, Chief Manager, CHN-OMR Perungudi
Shri M Jagannathan, Chief Manager, Madurai
Smt Madhu Shetty, Chief Manager, BLR-Electronic City
Smt Ravika Datt, Chief Manager, Hosur
Smt Ambika Pai, Chief Manager, HYD-Gachibowli
Shri Ratheesh Kumar, Chief Manager, NCR - Greater Noida
Shri Pankaj Kumar, Chief Manager, Karimnagar
Shri P V Mohan Krishna, Chief Manager, HYD- Ramachandrapuram
Shri B H Umesh Pai, Chief Manager, Pune
Shri V Sarathchandran, Chief Manager, BLR-K R Puram
Shri Sudipta Datta, Chief Manager, Bhubaneswar
Shri Dileep Kumar Prabhu V, Chief Manager, CHN-Tambaram
Shri H N Vasanth Kumar, Chief Manager, BLR-Marathahalli
Shri Manoj Kumar Badal, Chief Manager, Jaipur

* As on April 30, 2019

Board of Directors

Smt. Bharati Rao
(DIN: 01892516)
Chairperson (Independent Non-Executive)

Shri Sarada Kumar Hota
(DIN: 07491088)
Managing Director

Shri Debashish Mukherjee
(DIN: 08193978)
Additional Director (Promoter Non-Executive)

Shri G Naganathan
(DIN: 00423686)
Director (Independent Non-Executive)

Shri Shreekant M Bhandiwad
(DIN: 08120906)
Dy. Managing Director (Whole-time Director)

Dr. Yeluri Vijayanand
(DIN: 00594503)
Additional Director (Independent Non-Executive)

Shri S Subramanian
(DIN: 07901414)
Additional Director (Promoter Non-Executive)

Listing of Equity Shares

National Stock Exchange of India Ltd.
(NSE Symbol: CANFINHOME)
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400051

BSE Limited
(BSE Scrip Code: 511196)
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort,
Mumbai 400001

Depository for equity shares

National Securities Depository Limited
Trade World, 'A' Wing, 4th Floor
Kamala Mills Compound Senapati Bapat Marg, Lower Parel,
Mumbai 400 013
Tel : 91 22 2499 4200 Fax : 91 22 2497 6351

Central Depository Services (India) Limited
Marathon Futurex , A WIng, 25th floor, N M Joshi Marg
Lower Parel (East), Mumbai 400013
Tel : 91 22 2302 3333 Fax : 91 22 2300 2335

Board Committees

Audit Committee
Shri G Naganathan - Chairperson
Smt Bharati Rao – Member
Dr. Yeluri Vijayanand- Member
Shri S Subramanian- Member

Stakeholders Relationship Committee
Dr. Yeluri Vijayanand - Chairperson
Shri Sarada Kumar Hota - Member
Shri G Naganathan – Member
Smt Bharati Rao- Member

Corporate Social Responsibility Committee
Smt Bharati Rao - Chairperson
Shri Sarada Kumar Hota - Member
Shri G Naganathan – Member
Shri Shreekant M Bhandiwad- Member

Nomination Remuneration & HR Committee
Dr. Yeluri Vijayanand - Chairperson
Smt Bharati Rao- Member
Shri G Naganathan – Member
Shri Debashish Mukherjee- Member

Risk Management Committee
Shri Debashish Mukherjee- Chairperson
Smt Bharati Rao - Member
Shri Shreekant M Bhandiwad- Member
Smt Shamila M (General Manager) – Member

Management Committee
Shri Sarada Kumar Hota - Chairperson
Smt Bharati Rao - Member
Shri S Subramanian- Member
Shri Shreekant M Bhandiwad- Member

IT Strategy Committee
Shri G Naganathan - Chairperson
Shri Shreekant M Bhandiwad- Member
Smt Shamila M (General Manager) – Member
Shri Sikhin Tanu Shaw (AGM- IT)- Member

32nd Annual General Meeting

Wednesday, July 17, 2019 at 11:00 AM
At 'NIMHANS' Convention Centre' Hosur Road,
Lakkasandra, Bengaluru, Karnataka 560029.

Can Fin Homes at a Glance

Established in the year 1987, Can Fin Homes Limited, is one of the reputed housing finance companies in India. With our presence spread across the country, we strive to provide housing finance to customers and build a long-term sustainable business.

Key differentiators

Risk management

Introduced Centralised Processing Centres (CPC) to improve risk management for big ticket loans

Collection

Introduced Centralised Collection Centres (CCC) to improvise control over collection

Lending rates

Introduced Annual Resetting of Rate of Interest, a customer centric initiative

Insurance

Gaining steady pace after foraying into insurance business

Branch Expansion

Network increased in Tier II and III cities by (+21 branches)

Loan book

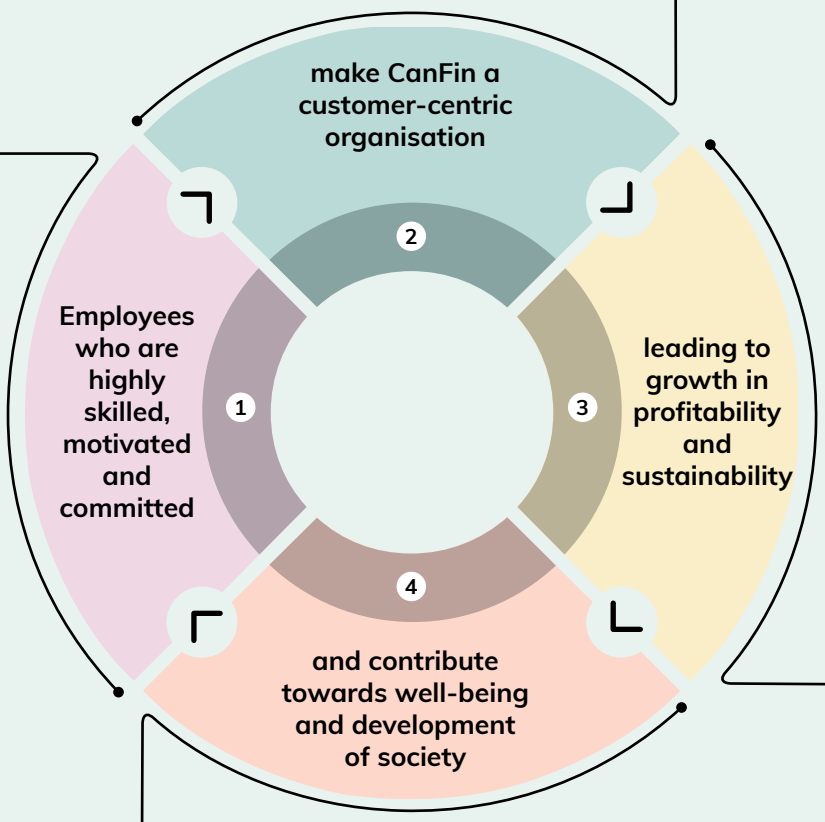
Increased to ₹ 18381 Crore (+17%) as on March 31, 2019



3,70,000
Families assisted by Can Fin since inception

189
Branches/Satellite office for customer service

100%
Increase in customer base over the past 5 years



792
Employee strength as on March 31, 2019

25 years
Average experience of top management

24%
Women Employees

26%
Loan Book growth*

32%
NII Growth*

31%
PAT Growth*

₹ 530.45 Crore
Net Interest Income

₹ 6.06 Crore
CSR spent

68
No. of schools benefitted

8
Hospitals

75000
Number of lives benefitted

* 5-Year CAGR

Sustained Momentum

Financial Performance

Loan outstanding
(₹ in Crore)



Net Interest Income (NII)
(₹ in Crore)



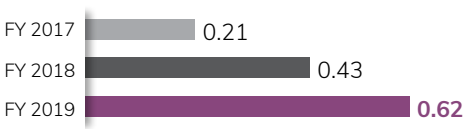
Net Profit
(₹ in Crore)



EPS
(₹)



GNPA
(%)



Net Interest Margin
(%)



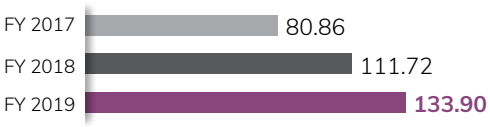
Cost to income ratio
(%)



Average business per branch
(₹ in Crore)



Book value per share
(₹)



Return on Average Equity
(%)



ROA
(%)



Gearing Ratio



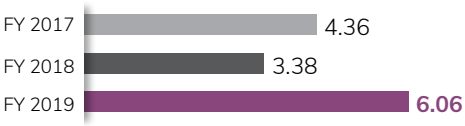
* FY 18-19 Figures under IND AS (Returns impacted by amortisation of Processing Fee over loan life).

Non-Financial Performance

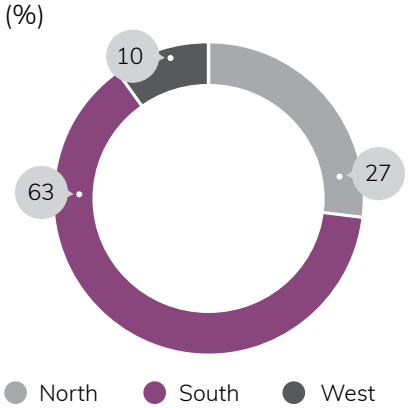
Branches / Satellite offices



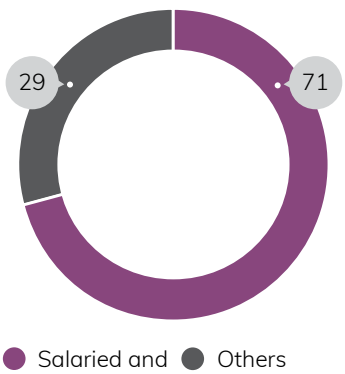
CSR Spend
(₹ in Crore)



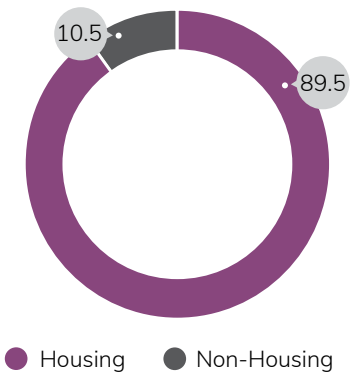
Market presence
(%)



Loan book profile
(%)



Loan book portfolio
(%)



Message from the Managing Director



Our focus so far has mainly been on Housing Loans to individuals with 90% of the loan book comprising retail home loans and over 71% lending in salaried space.

Dear Shareholders,

The objective of Can Fin Homes, when it was instituted 31 years ago, was to promote home ownership and increase housing stock in the country. We continued to work towards our objective of ensuring a roof over every Indian's head, reaching out to as many people as possible, and the noble cause continues. Our performance during the recent years is a validation of how we capitalized on business opportunities and expanded our foothold in the domestic market despite various challenges faced by the sector.

India continues in its growth story as one of the fastest growing major economies of the world. With a sustained growth rate of ~7% and backed by robust growth in the manufacturing, infrastructure and consumer goods, the country is headed for a stronger and sustainable growth rate in the coming fiscal. However, the financial sector is going through the most challenging times of recent years. An increasing number of players in NBFC /HFC market are facing the challenges of business sustainability.

The thought of India as a country where every citizen has a roof over their head, till recently, appeared to be a distant dream. However, the Government of India (GoI) has indomitably been pushing affordable housing under its flagship initiative 'Housing for All by 2022' and trying to turn this dream into a reality. Since the announcement of the initiative in 2015, approx. 1.53 Crore houses have been built in rural as well as urban areas under the Pradhan Mantri Awas Yojana (PMAY). Through the smart city mission under the Ministry of Housing and Urban Affairs, the GoI aims to drive economic growth and improve the quality of life of people by developing 100 cities across the country making them citizen friendly and sustainable.

As developers accepted the new market realities of GST and Real Estate (Regulation & Development) Act, 2016, the residential sector regained visibility, transparency and trust. Low and Mid-income housing clearly became the front-runner of driving the housing sector growth at the backdrop of government's reformatory push, as more private players entered the space. A reduction in GST rates for under-construction properties and several new project launches have brought correction in real estate prices, which is advantageous for the home-buyers. Armed with the Insolvency & Bankruptcy Code, homebuyers now get the same treatment as financial institutions when it comes to recovering dues from real estate firms that go bankrupt.

Can Fin Homes is the first housing finance company to have introduced Affordable Housing Loan Centres (AHLCs) to lend exclusively in the peripheral areas of the Tier 1, Tier 2 and Tier 3 cities. Currently, we have 21 AHLCs. Since the land and building value are more affordable in these areas, lending under the Affordable Housing Loan Scheme (Urban & Rural) and the Credit Linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (PMAY) is feasible.

Our focus so far has mainly been on Housing Loans to individuals with 90% of the loan book comprising of retail home loans and over 71% lending in salaried space. Most of our borrowers are first time home buyers as evidenced by the average age of our incremental borrowers at around 40 years. We will continue to

abide by our dictum to have a judicious lending mix with very gradual and calibrated foray into non-housing and non-salaried category while, our core business principle of staying a purely retail and affordable home lender for lower income group of customers would continue to be sacrosanct for us.

With new loan approvals of ₹5952 Crore and disbursements of ₹5479 Crore during the year, our loan book grew by 17% to ₹18381 Crore with a clientele base of 1.46 lakh as on 31st March 2019. Notwithstanding the macro-economic challenges and the liquidity issues surrounding the NBFC/HFC space, CFHL was consistent in its growth momentum quarter on quarter, the best quarterly growth of recent times coming in Q4FY19.

Presently, our lending norms are stringent in terms of the loan to value ratio in tune with the regulatory guidelines. Safe margins of mandatory investment by the borrowers are insisted upon as a part of our prudent underwriting policy to mitigate the risk of default. We have always been consciously conservative in our lending approach to ensure good asset quality, which is our USP. Despite an industry-wide rise in delinquency rates, CFHL could successfully hold its gross and net NPA levels at 0.62% and 0.43% respectively.

While CFHL follows a cost conscious approach to borrowing, any increase in the cost of the funds, as dictated by market conditions, will have to be leveraged by passing on the same to customers. This is the practice generally followed by all banks and peer institutions. Moreover, with the introduction of the annual reset clause effective from April 2017, the rate of interest is automatically reset on an anniversary basis, protecting both the customer as well as CFHL. Your Company is the only HFC to have introduced such a fair and transparent interest rate mechanism.

CFHL successfully migrated to Ind-AS and for FY19, it was the first audited full year accounts published under the new Accounting Standard. Accordingly, the annual as well as quarterly financials for the previous year were also realigned / restated as per Ind-AS. Major impact on P&L was on account of amortization of entire Processing Fee over the loan life. This apart, current year P&L has the impact of a higher CSR spend of Rs.2.68 Crore compared to previous year and a one-time hit of Rs.8.76 Crore pertaining to previous period tax expenses.

Notwithstanding the above, our PAT improved to ₹296.76 Crore in 2018-19 from ₹286.62 Crore in 2017-18. While Net Interest Income improved to ₹530.45 cr in the year under review, Net interest margin stood at 3.14%. The cost to income ratio was contained at 16.30%. We were able to maintain a healthy ROE and ROA of 18.16% and 1.76% respectively with asset under management (AUM) improving at a CAGR of 26% over the last five years.

In our endeavour to widen our service portfolio and revenue streams, CFHL has entered into distribution of general insurance products of three companies in addition to life, through corporate agency.

As our country marches ahead on a solid growth trajectory to complete 75 glorious years of independence, we at CFHL, remain committed to building a better India by reaching out to more home aspirants. We expect 2019-20 to be a year when many more individuals can now hope to own a home rather than living in rented accommodation.

As a strategic shift in our expansion plan, we have opened more branches in Tier-II and Tier-III cities, beyond our home turf of Southern India to provide them best-in-class financial assistance. From 110 branches as at March 2016, our network has grown to 189 branches now, spread across 21 states/UTs; and 53 out of the 65 new branches added during last 3 years are in non-metro growth centres. We have plans to add 20 more branches in potential Tier II/III cities in the fiscal 2020 as a step further in this direction.

Focus of your Company will continue to be on Affordable Housing segment while quality of assets will continue to prevail over growth. The Nation is on a mission mode to achieve Housing for All by 2022. Positive reflections of reforms like RERA and GST on the sector and the Pradhan Mantri Awas Yojna (PMAY) will be the key drivers of growth in affordable housing and as a key player in the segment, we have huge opportunities ahead of us. Finding the way forward is always challenging, but I am confident that, at CFHL, we have the vision, competency and financial strength to turn today's opportunities into tomorrow's success.

Our journey has been enriched by the unstinting support and guidance of our regulator, National Housing Bank, our parent Institution Canara Bank, our Board of Directors, customers, stakeholders, lenders, Advocates, Valuers, Direct selling Agents, Auditors and rating Agencies. Also, I would like to sincerely appreciate all the employees for their hard and excellent work in the current fiscal and look forward to another exciting year ahead!

Regards

S K Hota
Managing Director

From strength to strength – A peek into our dynamics.

Our Focus Area

- Promote home ownership across India, with focus on affordable housing
- Housing loans to Individuals
- Strong fundamentals with ethical & transparent practices and prudent underwriting

Vision 2022

Record a loan book size of ₹40,000 Crore by March 2022 (CAGR of 26%) with high asset quality, transparent & best ethical practices and prudent risk management practices.

Leveraging our Strengths

- Potential to grow organically
- Strong presence with **154** branches, **21** Affordable Housing Loan Centers & **14** Satellite Offices spread across **21** States / Union Territories
- Customer friendly/ Tailor made Housing and non-housing schemes to serve a diverse customer profile. As on March 31, 2019 we offer 24 different types of loans to our customers
- Over **three** decades of industry knowledge and experience
- We have maintained good asset quality which has a reflection in our superior profitability ratios



Capitalising on opportunities

- 3.95 Crore New houses to be developed under the scheme of Housing for All by 2022
- Rising per capita income
- Increasing young working population
- PMAY - CLSS benefit of subsidy to our target segment
- Tax sops to developers for affordable housing
- Exemption of tax on notional rent in respect of second house

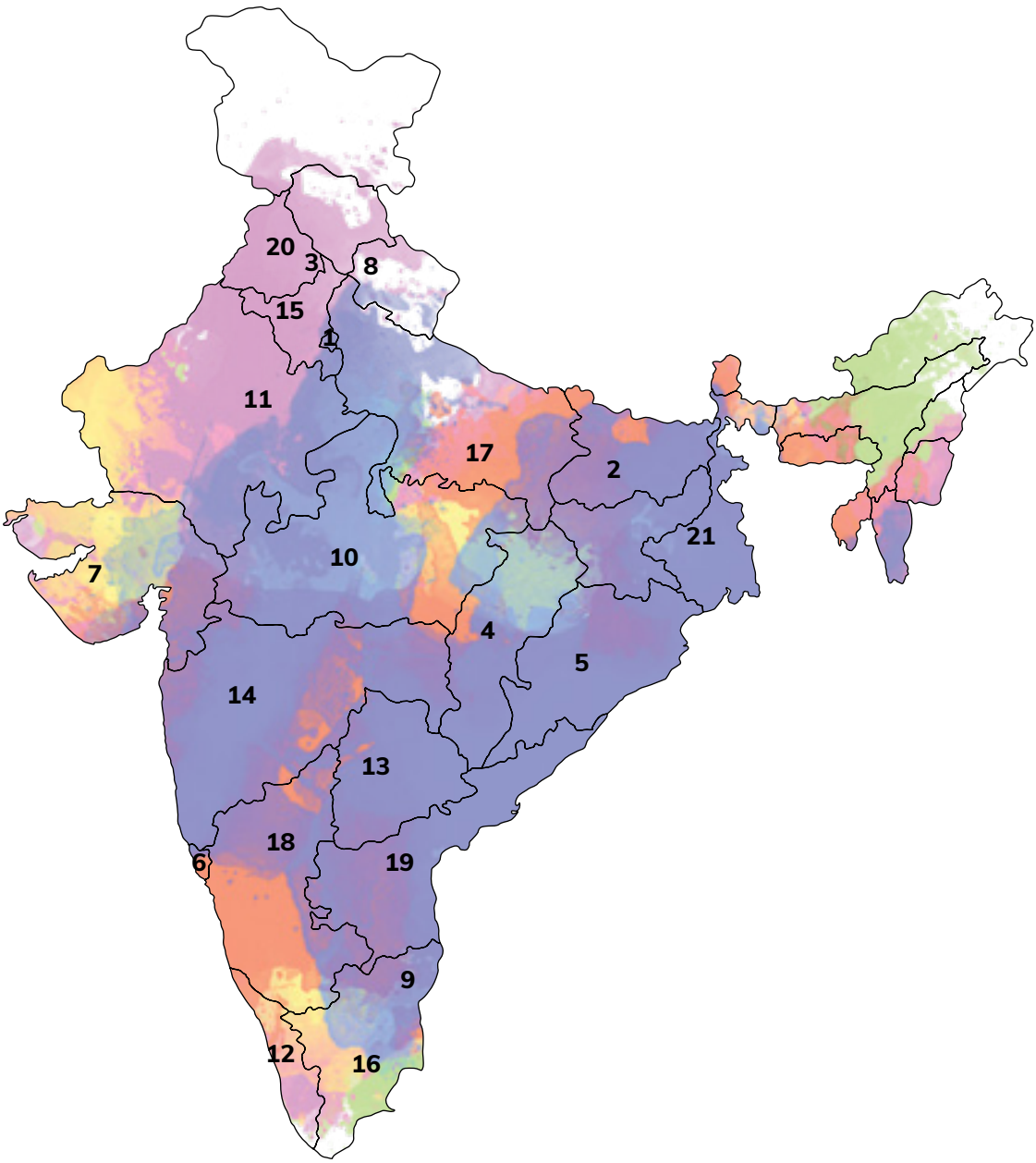
Sustaining long-term growth

- Focus on sustaining our revenues along with operational excellence
- ₹ 18 lakhs - Average home loan ticket size
- 16.30% - Cost to Income ratio in FY 2019
- 71% of loan book from salaried and professional segment
- 7.90% - Average Cost of borrowing
- Increased penetration in Tier II and III cities



Spanning across India

Our branch network has steadily extended across India's largest and fastest-growing economic growth zones, thereby augmenting the prospects of our growth in the coming years. Following is the list of branches, AHLCs and satellite offices as on May 31, 2019.





1
Delhi
• Nehru Place • Pitampura



2
Bihar
• Patna



3
Chandigarh



4
Chhattisgarh
• Raipur • Bilaspur • Bhilai
• Durg(SO)



5
Odisha
• Bhubaneswar
• Behrampur • Patia (SO)



6
Goa
• Goa



7
Gujarat
• Ahmedabad • Vadodara
• Surat



8
Uttarakhand
• Dehradun



9
Pondicherry
• Pondicherry



10
Madhya Pradesh
• Bhopal • Gwalior
• Indore • Mandideep
• Jabalpur



11
Rajasthan
• Jaipur • Kota • Udaipur
• Ajmer • Jodhpur
• Mansarovar • Jhotwara



12
Kerala
• Calicut • Kochi • Thrissur
• Thiruvananthapuram
• Shoranur • Aluva(SO)
• Kazhakuttom(SO)
• Neyyatinkara(SO)



13
Telangana
• Hyderabad (9 branches)
• Warangal • Karimnagar
• Khammam • A S Rao Nagar
• Ghatkesar • Sangareddy



14
Maharashtra
• Navi Mumbai • Mumbai
• Nagpur • Panvel • Pune
• Nashik • Kalyan • Boisar



15
Haryana
• Gurgaon • Sonepat
• Faridabad • Dharuhera
• Rohtak • Karnal • Rewari
• Ambala • Manesar



16
Tamil Nadu
• Hosur
• Chennai (9 branches) Madurai
• Namakkal • Trichy
• Coimbatore • Salem • Erode
• Vellore • Thiruchengode
• Dindigul • Karur
• Virudhunagar • Tirunelveli
• CBE- P N Palyam • Tirupur
• Kumbakonam • Thoothukudi
• Gobichettipalayam
• Batlagundu • Cuddalore(SO)
• Thirumangalam
• Kangeyam(SO)
• Oddanchatram(SO)
• Peelameedu(SO)
• Thiruverumbur(SO) • Velur(SO)



17
Uttar Pradesh
• Lucknow • Meerut
• Noida • Greater Noida
• Agra • Varanasi
• Allahabad • Kanpur
• Ghaziabad



18
Karnataka
• Bengaluru (25 branches, 5 SO)
• Davanagere • Hubli • Mysore
• Mangalore • Mandya
• Belgaum • Shimoga • Tumkur
• Udupi • Hassan • Dharwad
• Mys-Vijaynagar(SO)



19
Andhra Pradesh
• Nellore • Ongole • Tirupathi
• Guntur • Kakinada • Vizag
• Vizag Steel Plant • Kurnool
• Vijayawada • Rajahmundry
• Vizianagram • Tenali • Eluru
• Gollapudi • Mangalagiri



20
Punjab
• Jalandhar



21
West Bengal
• Durgapur

Can Fin Cares

At CanFin, we believe that we are in a business which empowers people to own homes and live in prosperity. We also contribute towards bringing positive changes in society around us.

During the year, we undertook several CSR measures, which further strengthened our presence within the communities we operate. We made several contributions towards the improvement of society, in various fields of education, health, nutrition, empowerment of women and the downtrodden, eradication of hunger and environmental conservation among others.



68

Government schools across the country covered under our CSR initiative for providing education

90

CSR projects funded

₹6.06 Crore

Spent towards CSR initiatives during FY18-19

Through our CSR activities (90 projects), we have made a holistic difference to the lives of the citizens of our country.



At CanFin, we primarily focus on empowering children with education. We worked towards this noble cause in FY19 by awarding scholarships to meritorious, poor students, supply of books, desks, boards, almirahs, fans, lights, water purifiers and other necessary materials in about 68 schools across the country. In addition to this, we also carried out repair and renovation of various schools.

Our CSR activities also aim at promoting healthcare. We have funded a life-saving medical equipment and undertaken renovation work in about 8 hospitals.

- As a part of our healthcare initiative, the Company's Managing Director, Sri S K Hota handed over a cheque of ₹9,78,500/- to Dr. Rajeshwari Devi H R, District Surgeon and Medical Superintendent, Wenlock Hospital, Mangalore on May 08, 2019 in the presence of the other doctors of the hospital for a laproscopy equipment to be utilized in performing key hole surgeries



MD, GM handing over the cheque of ₹9.78 lakh to Wenlock Hospital, Mangalore for a laproscopy machine

- An amount of ₹78.22 lakh was given to Jayadeva Institute of Cardiovascular Vascular Sciences, Bangalore for purchase of a Heart Lung Machine.



Jayadeva Institute of Cardiovascular Vascular Sciences for purchase of heart lung machine

Our CSR funds have also been utilised for enhancing the quality of living in old age homes and rehabilitation centres for the physically and intellectually challenged. Further, we have also contributed to the Akshay Patra Foundation for the purpose of providing mid-day meal to 6150 children in Mangalagiri for 6 months.



CSR contribution to Akshay Patra Foundation, Bengaluru towards Mid day meal scheme



Karnataka Cancer Therapy & Research Institute, Hubli - ₹30.58 lakh for medical equipment

Further, as a part of our initiatives to build a greener and cleaner environment, we provided saplings to our customers across the country. Additionally, in order to reduce the use of plastics, and promote green environment we procured cotton bags for distributing to our borrowers and general public at large.

Moreover, for the 4th year in a row, we sponsored the Eureka Run for Children at Elliot's beach, Chennai, in order to support our mission of providing quality education for rural children along with AID India, a non-profit organization. AID India has been supporting the education of a good number of children in several villages and schools, especially in Tamil Nadu for the past 22 years.



CHFL Eureka Run



₹24.81 lakh cheque handed over to Ramakrishna Math Charitable Dispensary & Diagnostic Centre, Mylapore, Chennai by Director, Sri G Naganathan, for procuring medical equipment

Expanding Footprint

We believe optimizing our branch network is important for us to propel our growth and sustainability. Our new branches are strategically located to cover a widening customer base at emerging growth centres.

August 09, 2018



Inauguration of Bannerghatta Branch by Director, CanFin Homes, Smt P V Bharati (ED, Canara Bank)

December 12, 2018



Inauguration of Whitefield Branch by Director, CanFin Homes, Shri Debashish Mukherjee (ED, Canara Bank)

November 15, 2018



Inauguration of Jagatpura, Jaipur Branch by MD, Shri S K Hota

November 24, 2018



Inauguration of Jharsuguda Branch by MD, Shri S K Hota

September 20, 2018



Inauguration of Hinjewadi Branch. DMD Shri Shreekant M Bhandiwad addressing the gathering

July 20, 2019



Inauguration of Alwar Branch in the presence of MD, Shri S K Hota

April 22, 2019



Inauguration of new premises of Baroda Branch by MD, Shri S K Hota

Awards and Accolades

The year proved to be a milestone year in terms of recognition. In an industry space that is increasingly competitive with aspirational customers, at Can Fin our operations and processes have enabled us to stand out and be recognized as among the best.



FE INDIA'S BEST BANK AWARDS FOR FY17 - Winners in one frame



FE INDIA'S BEST BANKS AWARD IN NBFC CATEGORY FY17 - RUNNERUP



FE INDIA'S BEST BANKS AWARDS - Moment to Cherish - Sri S K Hota, M.D., CFHL receiving the award from Chief Guest, Sri Narayanan Vaghul, Ex-Chairman, ICICI Bank on January 10, 2019

Operational and Financial Highlights

I – Statistics on Business

Sl No	Parameters	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	Loan Approvals (₹ in cr)	2093	2907	3670	4418	5451	5760	5952
2	Loan disbursements (₹ in cr)	1814	2548	3346	3923	4792	5207	5479
3	Total Loan outstanding (₹ in cr)	4016	5844	8231	10643	13313	15743	18381
4	Out of 3 above,							
	i. Housing Loans (₹ in cr)	3808.38	5350.27	7325.49	9381.32	11783.59	14,089.08	16,442.98
	ii. Non Housing Loans (₹ in cr)	207.77	493.73	905.8	1261.81	1529.47	1,653.91	1,938.98
5	Borrowings (₹ in cr)	3538.89	5268.53	7374.51	9,443.96	11,871.95	13,921.02	16,694.44
6	NPA							
	i. Gross NPA (₹ in cr)	15.66	12.10	14.35	19.76	27.91	67.49	113.51
	ii. Gross NPA %	0.39%	0.21%	0.17%	0.19%	0.21%	0.43%	0.62%
	iii. Net NPA %	NIL	NIL	NIL	NIL	NIL	0.20%	0.43%
7	Average Assets (₹ in cr)							
	i. Housing loan	3146.86	4626.88	6261.2	8213.96	10,496.27	12,839.20	15,188.30
	ii. Non Housing loan	103.09	320.32	708.62	1063.91	1,387.61	1,554.97	1,662.82
	iii. Investments	20.82	20.31	20.18	24.36	32.46	39.79	35.07
	iv. Securitised Assets	0	0	0	0	-	-	-
	Total Average Assets (₹ in cr)	3270.77	4967.51	6990.00	9302.23	11916.34	14433.96	16886.19
8	Average Borrowings(₹ in cr)	2797.64	4298.98	6388.39	8401.58	10,588.06	12,714.23	14,807.89
9	No. of Branches / Offices							
	i. Branches	69	83	107	110	134	153	175
	ii. Satellite Offices	0	0	10	30	36	20	14
	Total No. of Branches / Offices	69	83	117	140	170	173	189
10	No. of Employees	319	387	491	553	626	648	792

II - Statistics on Income & Expenditure

Sl No	Parameters	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
11	Interest Collected (₹ in cr)							
	i. Housing Loan	359.35	511.61	690.76	896.10	1,111.31	1,277.03	1,482.70
	ii. Non Housing Loan	18.28	44.03	95.76	146.67	192.61	211.40	214.59
	iii. Investment	1.08	1.41	1.37	1.64	2.15	2.15	2.26
	Total Interest Collected (₹ in cr)	378.71	557.05	787.89	1,044.41	1,306.08	1,490.58	1,699.55
12	Processing Charges (₹ in cr)	13.78	20.69	28.41	38.52	45.99	27.07	26.61
13	Other Income (₹ in cr)	0.21	0.26	0.73	0.61	1.06	4.33	5.19
14	Total Income (₹ in cr)	392.70	578.00	817.03	1083.54	1353.12	1521.98	1731.35
15	Interest Paid (₹ in cr)	283.01	422.76	610.29	743.48	884.03	981.02	1,169.10
16	Net Interest Income (NII) (₹ in cr)	95.69	134.29	177.60	300.93	422.05	509.56	530.45
17	Staff Cost (₹ in cr)	15.73	17.90	24.75	33.06	39.36	44.82	41.40
18	Other Expenses (₹ in cr)							
	i. Establishment	6.05	7.15	8.38	9.77	12.32	12.49	14.29
	ii. DSA Commission	4.33	6.33	7.56	7.78	9.91	9.16	10.36
	iii. Professional fees – IBS	1.00	1.93	2.39	2.78	2.99	3.29	3.55
	iv. Others incl CSR	4.42	5.38	6.13	6.66	11.55	14.93	19.08
19	Depreciation (₹ in cr)	1.16	2.01	3.73	3.46	3.73	3.09	2.97
20	Bad Debts written off (₹ in cr)	3.29	3.22	2.10	3.29	0.85	-	-
21	Operating Cost (₹ in cr)	32.69	40.70	52.94	63.50	79.86	87.78	91.65
22	Total Cost (₹ in cr)	318.99	466.68	665.33	810.27	964.74	1,068.80	1,260.75
23	Operating Profit (₹ in cr)	73.71	111.32	151.70	273.27	388.38	453.18	470.60

Sl No	Parameters	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
24	Provisions & Taxes (₹ in cr)							
	i. Standard Assets	6.85	8.00	12.00	14.00	10.65	2.10	0.40
	ii. Non Performing Assets	-8.24	-3.56	2.25	5.41	8.15	20.00	0.69
	iii. Income Tax	20.20	30.93	43.23	80.00	115.13	157.41	173.55
	iv. Deferred Tax Liability/(Asset)	0.78	0.01	7.98	16.75	19.78	-12.52	-0.79
	v. Prior Period Adjustment	0.00	0.23	0.00	0.00	-0.59	0.00	0.00
	vi. Other Comprehensive income (₹ in cr)	0.00	0.00	0.00	0.00	0.00	-0.42	-0.03
25	Net Profit (₹ in cr)	54.12	75.71	86.24	157.11	235.26	286.62	296.76
26	Share Capital (₹ in cr)	20.49	20.49	26.62	26.62	26.62	26.63	26.63
27	Reserves (₹ in cr)	371.68	431.81	744.87	851.42	1,049.68	1,460.35	1,755.55
28	Deferred Tax Liability DTL /(Assets DTA) (₹ in cr)	-4.87	-4.86	21.61	56.87	113.65	-23.24	-24.01
29	Shareholder's Funds – Tier I (₹ in cr)	387.3	447.44	771.49	878.04	1,076.30	1,486.98	1,782.18
30	Number of Shares (in cr)	2.05	2.05	2.66	2.66	2.66	13.31	13.31
	Tier II Capital (₹ in cr)							
31	- SA Provision	18.00	26.00	38.00	52.00	62.65	64.75	65.15
	- Tier II Bonds	0.00	0.00	100.00	100.00	100.00	100.00	100.00
	Total Tier II Capital (₹ in cr)	18.00	26.00	138.00	152.00	162.65	164.75	165.15
32	Dividend							
	i. Percentage	40	65	70	100	100	100	100
	ii. Amount (₹ in cr)	8.20	13.32	18.64	26.63	26.63	26.63	26.63
	iii. Payout Ratio excl tax %	15.15%	17.59%	21.61%	16.95%	11.32%	9.29%	8.97%
	iv. Payout Ratio incl tax %	17.61%	20.58%	25.36%	20.40%	13.62%	11.18%	10.82%
	v. Dividend yield %	2.94%	3.41%	1.15%	0.87%	0.47%	0.41%	0.57%
33	Book Value (BV) (FV of share ₹ 2)	191.30	220.63	290.03	329.84	404.32	111.72	133.90
34	Earnings per Share (EPS)(₹)	26.42	36.93	32.42	59.02	88.38	21.49	22.29
35	Return on Average Equity (ROE) %	14.84%	18.14%	17.75%	19.05%	24.08%	21.30%	18.16%
36	Return on Average Asset (ROA) %	1.65%	1.52%	1.23%	1.69%	1.97%	1.98%	1.76%
37	Closing Stock Price (CMP/NSE) (₹)	135.90	190.70	607.40	1154.35	2121.45	484.50	348.85
38	Market Cap (MC) (₹ in cr)	278.60	390.94	1615.68	3070.57	5643.06	6451.32	4645.08
39	CMP/ Earnings (P/E Ratio)	5.14	5.16	18.73	19.56	24.00	22.50	15.65
40	CMP/ Book Value (P/B Ratio)	0.71	0.86	2.09	3.50	5.25	4.34	2.61
41	Risk Weighted Assets (₹ in cr)	2631.41	3421.11	4945.71	4979.64	6521.71	7751.27	9180.41
42	Capital Adequacy Ratio (CAR)	15.40%	13.84%	18.39%	20.69%	18.50%	19.08%	16.44%
43	Net Interest Margin (NIM)							
	a) Conventional	2.93%	2.71%	2.54%	3.24%	3.54%	3.53%	3.14%
	b) Including PC	3.35%	3.12%	2.95%	3.65%	3.93%	3.71%	3.29%
44	Cost to Income Ratio	29.80%	26.22%	25.61%	18.67%	17.02%	16.23%	16.30%
45	Average Business Per Branch (₹ in cr)	49.38	61.65	67.15	86.71	97.88	106.58	111.86
46	Average Business Per Employee (BPE) (₹ in cr)	11.43	13.90	15.90	18.52	20.68	23.92	25.99
47	Average Yield on Assets	11.58%	11.22%	11.27%	11.24%	10.96%	10.33%	10.06%
48	Average Cost of Borrowings	10.11%	9.83%	9.55%	8.75%	8.35%	7.70%	7.90%
49	Interest Spread	1.47%	1.39%	1.72%	2.49%	2.61%	2.63%	2.17%
50	Gearing Ratio	9.14	11.78	9.57	10.76	11.03	9.36	9.37

Notes:

1. Sl No. 32 for FY 2018-19 is subject to approval of Members at the AGM to be held on July 17, 2019.
2. Sl No. 30, 37 and 39 -Equity shares of ₹10 were subdivided into equity shares of ₹2 each w.e.f October 13, 2017.
3. Sl No. 27, 29 and 33 is without considering the appropriations for Dividend and Dividend Tax.
4. Sl No. 35 is having an impact of Deferred Tax Liability and tax on special reserve due to IND AS
5. Sl No. 42 for FY 2018-19 - CAR is after considering the Dividend cost in the Net owned funds. Further, CAR for 18-19 has reduced due to Term deposit amounting to ₹257.00 Crore(matured on April 10, 2019) held with Canara Bank and the same is reduced in the computation of Net Owned funds. The CAR without considering the aforesaid term deposit would have been 19.24%.

FY 2017-18 and 2018-19 figures are as per IND AS

Profile of Board of Directors















1. SMT BHARATI RAO
Chairperson

Smt Bharati Rao was appointed by the Board of Directors on September 05, 2017 as an Additional Director (Independent) and she has been appointed by the members as an Independent Director at the 31st Annual General Meeting(AGM) held on July 18, 2018. She is an Independent and Non-Executive Chairperson of the Company.

She is a post graduate degree holder in Economics (M.A.) and Certified Associate of Indian Institute of Bankers (CAIIB). She has more than 42 years of experience in the banking industry, has held both domestic and international positions and was in charge of areas such as Project Finance, Credit & Risk Management, International Banking, Human Resources, Mergers and Acquisitions. She had served as the Deputy Managing Director of SBI and she had held concurrent charge of SBI's 7 Associate Banks and 7 Non-Banking Subsidiaries.

Smt Bharati Rao is currently a member on the Boards of five listed Companies viz. Cholamandalam Investment and Finance Company Limited, Carborundrum Universal Limited, Neuland Laboratories Limited, CanFin Homes Limited and Suprajit Engineering Limited (w.e.f April 01, 2019) and five unlisted Companies viz. SBI Capital Markets Limited, SBICap Securities Limited, SBI Global Factors Ltd, Tata Teleservices Ltd. & Delphi TVS Diesel Systems Ltd. She is also an Advisor to Brickworks Ratings India Pvt. Ltd.

2. SHRI SARADA KUMAR HOTA
Managing Director

Shri Sarada Kumar Hota has been appointed as the Managing Director of Company w.e.f May 19, 2016. The members have approved his appointment as Managing Director of the Company, at the 29th AGM of the Company held on July 20, 2016 for a tenure of three years subject to further extension of tenure by Canara Bank. The bank has extended the tenure of Shri S K Hota upto October 05, 2019 and an agenda relating to his re-appointment forms part of the Notice of the ensuing AGM.

Shri Hota, a Post-Graduate in Agricultural Science, is a senior banker and General Manager of Canara Bank, with 29 years of commercial banking experience, having served across the Country.

Prior to his posting to the Company he was the Circle head of Nagpur and Jaipur Circles of Canara Bank for 3 years followed by a brief stint at the Recovery Wing of the Bank at Head Office.

Apart from his expertise in retail operations, he also carries with him the experience of working in the areas of Human Resources, Strategic Business Planning and Profit Planning at the Head Office of the Bank.

3. SHRI DEBASHISH MUKHERJEE
Director

Shri Debashish Mukherjee has been appointed as an Additional Director (Non-executive Promoter) w.e.f March 12, 2019.

Shri Mukherjee is an MBA (Finance) from the University of Kolkata. He started his career with Punjab National Bank as a Financial Analyst in scale II in 1994. He joined United Bank of India as an Asst. General Manager (Credit) in the year 2006. He worked in various capacities at Regional Offices, headed Corporate Finance Branch at Kolkata and was Regional Manager of Bihar Region. He has vast experience in Corporate Credit, Credit Monitoring and Recovery. He is an avid reader and has travelled extensively.

Shri Debashish Mukherjee has taken charge as Executive Director of Canara Bank on February 19, 2018. He is overseeing the functions of Risk Management (including Capital planning), Financial Management and subsidiaries, MSME, Credit Administration & Monitoring, stressed Assets Management and Recovery, Inspection, Treasury, International Operations & Corporate Customer Relations. He is currently a member on the Boards of Canara Bank, Canara Robeco Asset Management Company, Canara HSBC OBC Life Insurance Company, Canara Bank Securities Limited, Canbank Venture Capital Ltd. and a non-profit organization viz., Higher Education Financing Agency. Out of seven companies, he holds Directorship in two listed companies.

The Agenda relating to his appointment as a Director forms part of the Notice of ensuing AGM.

4. SHRI G NAGANATHAN
Director

The Board of Directors have appointed Shri G Naganathan, FCA, as a director of the Company on September 07, 2016. He is an Independent Non-Executive Director of the Company.

Shri G Naganathan is a rank holder in Chartered Accountancy and Cost Accountancy. He has completed the Diploma in Information Systems Audit, Courses in Certified Information Systems Auditor and also Valuation Certificate. Presently, he is the Managing Partner in M/s. R K Kumar & Co., Chartered Accountants. He has put in a practice of 35 years in R K Kumar & Co. His areas of practice and expertise include statutory and related attestation services, consultancy in direct taxes and FEMA and management advisory services. Shri G Naganathan is involved in the audit of banking and Insurance companies, representation before various adjudicating authorities for the last three decades. He also has been involved in monitoring of large sick companies on behalf of consortium of banks.

The Agenda relating to his re-appointment as an Independent Director forms part of the Notice of ensuing AGM.

5. SHRI SHREEKANT M BHANDIWAD
Deputy Managing Director

Shri Shreekant M Bhandiwad has been appointed as the Deputy Managing Director of Company w.e.f April 28, 2018.

He is a Post-Graduate Degree holder in Agricultural Science viz., M.Sc.(Agri) and a CAIIB. Shri Shreekant Mohanrao Bhandiwad started his career as an Officer in Canara Bank in the year 1994. During his service in the Bank he has headed different branches, Circle Offices and various departments at the Circle and Corporate level. Shri Bhandiwad is a senior banker with 25 years of commercial banking experience having served across the States of Haryana, Rajasthan and Karnataka.

Before his posting to the Company, he was heading the Rajasthan operations of Canara Bank as Head of Jaipur Circle of the Bank. Prior to this, he had worked in Jaipur Regional Office, Bengaluru Cantonment and Yediyur Branches. He had also worked in Bengaluru Langford Town, Davanagere Regional Office and also in Head Office, Bengaluru. Apart from his successful tenure at various places as above, Shri Bhandiwad carries with him the experience of over eight years at the Managing Director's Secretariat in the Bank.

The Agenda relating to his re-appointment as a Director forms part of the Notice of ensuing AGM.

6. DR. YELURI VIJAYANAND
Director

Dr Yeluri Vijayanand has been appointed as an Additional Director (Non-executive independent) w.e.f. August 29, 2018.

Dr Yeluri V Vijayanand is PhD in Economics (2011) from University of Mysore, M.A in Economics (1967) from Bangalore University, Bachelor of Laws (1969) from Bangalore University and CAIIB (1978) from Indian Institute of Bankers.

Dr Vijayanand retired from State Bank of India as Deputy Managing Director on August 31, 2007 after serving for more than 37 years. As DMD and Group Executive of Associates and Subsidiaries, he was the nominee director of SBI in all Associate Banks, and non-banking subsidiaries, as also in ARCIL, Thomas Cook India, and CIBIL. He was also on the boards of three overseas subsidiaries/joint ventures of SBI. The other prominent positions held by him were Managing Director of State Bank of Mysore, President and COO of SBICAP, Chief General Manager, Corporate Accounts Group, General Manager (Commercial), Chennai and Vice President, SBI New York. Post retirement from SBI, he worked as a Corporate Advisor in Nagarjuna Fertilizers and Chemicals Limited, Hyderabad for nine years. He was a non-executive director in

three group companies. He was also an independent director in SBI Global Factors Limited, and Caparo Financial Solutions Limited. He is a visiting faculty at State Bank Staff College and Academy, JNIDB, Institute of Public Enterprise, NALSAR - IIRM, BITS Pilani - Hyderabad Campus, Osmania University, Bangalore University and University of Mysore. He was awarded a PhD in Economics by the University of Mysore in 2011 for his thesis on "Impact of Banking Regulations on Indian Commercial Banks: A study of current and emerging issues". He also contributed articles to academic and professional journals, and took part in several conferences and seminars.

The Agenda relating to his appointment as an Independent Director forms part of the Notice of ensuing AGM.

7. SHRI S SUBRAMANIAN

Director

Shri Shankara Narayanan Subramanian (S Subramanian) has been appointed as an Additional Director (Non-executive Promoter) w.e.f. October 06, 2018.

Shri S Subramanian is a graduate in B.Sc., a Diploma holder in Company Law and a Certified Associate of Indian Institute of Bankers (CAIIB).

Shri S Subramanian started his career in Canara Bank in the year 1981 and has more than 36 years of commercial banking experience. During his service in the Bank he has handled various duties at various branches. He has worked in the Credit Administration & Monitoring Wing (Head Office Bengaluru), Chandigarh Circle Office, Prime Corporate Branch, Bengaluru, Coimbatore Circle Office (Core Credit Group), Perundurai SME Branch, Overseas Business cell (Madurai Circle Office), Kolkata Overseas branch and various other places. Currently he is the General Manager of Prime Corporate Credit Wing, Canara Bank, Head Office, Bengaluru. He is a nominee director in Canbank Venture Capital Ltd.

The Agenda relating to his appointment as a Director forms part of the Notice of ensuing AGM.



Management Discussion and Analysis

Indian Economic Scenario

India, in recent years, has emerged as one of the most vibrant economies in the world. The economic growth of the country is currently more than the major economies of the world including China, topping the list of fastest growing emerging market economies (EMEs) in the world. Indian economy has witnessed an accelerated pace of domestic reforms in recent years. These reforms include, inter alia, the flexible inflation-targeting monetary policy framework, the Insolvency and Bankruptcy Code (IBC), the Goods and Services Tax (GST) and steps for enhancing foreign investments by liberalising the FDI regime and undertaking efforts to provide a conducive business climate.

India is widely believed to remain world's fastest-growing major economy in the medium to long term despite registering an annual growth of 6.8%. The fall in GDP as compared to previous year was largely due to temporary stress in NBFCs affecting the consumption pattern. The industry growth sharply increased to 7.7% in FY19 on account of strong manufacturing, construction, and utilities. The index of industrial production (IIP) demonstrated a robust growth, reflecting strong demand for capital equipment, construction goods, and consumer durables. Further, the financial, real estate and professional services sector increased marginally to 7.3% in 3QFY19 as compared to 7.2% in 2QFY19. Gross Value Added (GVA) growth in construction sector also increased to 9.6% in 3QFY19, from 8.5% in 2QFY19.

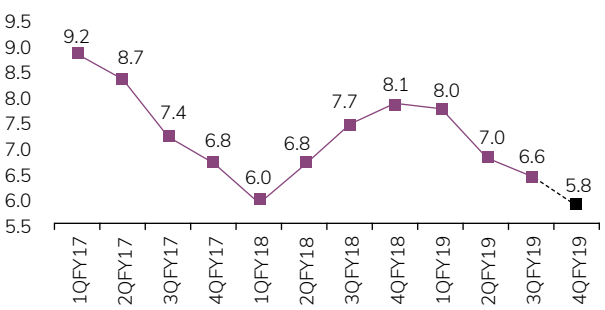
The Reserve Bank of India (RBI), in the February 2019 monetary policy review lowered its policy repo rate to 6.25 percent from 6.5 percent. While lowering the policy rate, the policy stance was also altered to "neutral" from "calibrated-tightening". The next monetary policy review of April 2019 witnessed another 25 basis points reduction in the repo rate to 6 percent, in order to lower cost of borrowing for banks and to support India's growth momentum. The successive rate cuts are in consonance with achieving the medium-term objective of maintaining inflation under the 4 percent level while supporting growth

In addition, bank credit growth rose from 7.0% in FY2018 to 11.9% in FY2019 chiefly on higher credit to services and personal loans. Within the service sector, credit to nonbank financial companies enjoyed the largest increase. Credit to infrastructure also picked up over the past few months, although from a low base.

Outlook

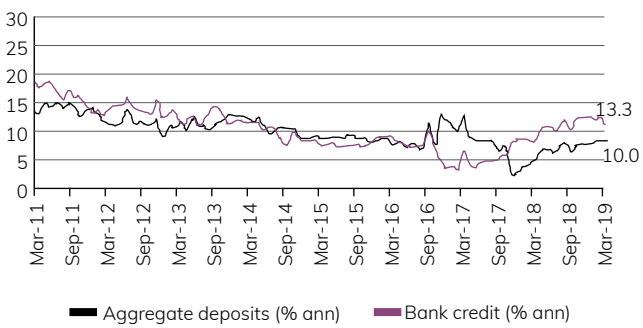
Moving ahead, the GDP growth is projected to be 7.5% in FY20, in accordance with the recent revision to the national account statistics that indicated relatively softer underlying momentum. The medium-term challenge for the Indian economy is to stimulate demand. Fiscal policy at the moment is unlikely to support demand as the government, in order to limit any further slippage in the revised fiscal deficit target, is likely to adjust both revenue and capital expenditures downwards. However, the recent pickup in investment growth is anticipated to continue in the coming fiscals, though at a low pace. A significant improvement will be observed in the non-performing loans by the banks, resulting in easing of credit restrictions on certain banks, which in turn, boost lending to industry.

Quarterly GDP Growth (%)



Source: MoSPI, GoI

Growth in credit and deposits



Source: Database on Indian Economy, RBI

Indian Housing Scenario

India's urban population is estimated to have grown at a CAGR of 2.8% over 2001-2011, resulting in an increase in the urbanization rate from 27.8% to 31.2%. The surge in urban population was supported by an increase in million-plus cities. The number of urban agglomerations with more than 1 million population increased from 35 in 2001 to 53 in 2011. The growth of urbanization at such unprecedented level poses the challenge of meeting the increasing demand for affordable housing in cities.

Rapid urbanization, growth in population and increase in nuclear families has created demand for housing in India. Despite the constant focus on the housing segment, housing in India is far from being adequate. The shortage of housing in India has been a constant problem, deterring the economic growth of the country. The government in its 12th Five Year Plan gave this issue utmost importance and focused on increasing the amount of housing units available both in the urban as well as the rural sector. As per the estimates of the 12th Five Year Plan, the shortage of housing in urban segment of society stood at 18.78 million according to the 2011 census.

The Economically Weaker Section (EWS) has three-fourth of the shortage and the Lower Income Group (LIG) has a quarter of housing shortage approximately. Housing shortage in urban areas could be attributed to the reasons of congestion and obsolescent houses.

In rural areas, house is a catalyst for a change in socio-cultural pattern and other characteristics of human life, including economic development. Since it forms a nucleus for the operations of many human activities and is an essential contributory factor for improvement in life, it has a significant bearing on the policies formulated for the housing sector.

A Study on Impact of investments in the housing sector on GDP and Employment in the Indian Economy was conducted by National Council of Applied Economic Research (NCAER) in 2014 based on the inter-industry linkages of housing investment. The key findings of the report were as follows:

i. The residential construction i.e. housing sector accounts for 1% of GDP and 6.86% of the employment.

ii. Housing sector is fourth largest employment generating sector.

iii. 99.4% of the jobs in housing sector are informal jobs.

iv. For every lakh invested in the housing sector, 2.69 new jobs are created in the economy. With induced effect (i.e. resultant increase in demand for output on account of increased income), the number of jobs created would be 4.06 (3.95 informal and 0.11 formal).

v. Every additional rupee invested in the housing sector will add ₹1.54 to the GDP and with household expenditure considered, this is going to add ₹2.84.

vi. For every rupee invested in creation of housing, ₹0.12 gets collected as indirect taxes.

The Working Group on Rural Housing for the 12th Five Year Plan estimated a total housing shortage of 43.67 million houses for the plan period (2012-17). The working group assumes that 90% of the total rural housing shortage i.e. 39.30 million affects BPL families.

The demand for affordable housing will remain strong on account of rapid urbanization and increasing income levels. The robust demand for affordable housing together with the fillip provided by the Government of India under PMAY to the sector offers good opportunity for growth to the developers as well as the financial institutions.

On the demand side, the inclusion of two new middle-income categories under CLSS is likely to improve affordability for a wider set of borrowers leading to increased growth potential in the affordable housing segment. The various initiatives of Government viz. granting infrastructure status to affordable housing, establishment of a dedicated Affordable Housing Fund and incentives offered to home buyers as well as developers in the union budget announcements etc., will facilitate creation of a sustainable market for affordable housing.

The challenges in meeting demand for affordable housing include high cost of land, absence of clear title, delay in project approval which acts as deterrent for participation by financial institutions and real estate developers. Implementation of RERA not only promises to transform the Real Estate Industry into an organized, transparent and customer friendly sector, but also provides the much needed comfort to lending institutions for investment in creation of housing stock.

Another segment which offers growth potential in residential housing is Rental Housing. Rental Housing despite being the object of considerable attention and support in developed economies is yet to gain momentum in the Indian housing spectrum. It can act as an alternative solution to ownership

housing in India where there is a large population, who cannot afford to buy a home, may not qualify for a mortgage or may not want to own a home. Also there are more and more people who are living in poor, informal housing conditions. The success of rental housing would depend on the enabling environment viz. laws and regulations and the capacity to raise significant financial resources from investors and financiers. The fiscal treatment of the sector by the public authorities can also play a decisive role in expanding an affordable rental sector.

Growth Drivers for Housing

The Indian real estate market sector has always been in a state of flux backed by the changing economic environment and the evolving real estate laws. These dynamics have led both the real estate developers and buyers to embrace the recent changes in this sector.

- **Rapid increase in population:** India's urban population is expected to surpass 850 million by 2050, of which 50 percent is expected to be in the age group of 19-58 years, which is the key demographic core to the consumer demand phenomenon. With increasing disposable incomes and nuclear families, this will lead to higher demand for housing and organized retail consequently.
- **Availability of Land and labour:** Availability of land and labour at reasonable rates compared to metro cities are leading to affordable prices of real estate in city peripherals and Tier II/III locations. Land is one of the major components for a typical real estate project. Thus, lower land costs will lead to affordable rates of residential units and rentals in case of retail projects.
- **Push towards affordable housing:** As a result of Government's indomitable push towards affordable housing, the segment is expected to be the next big thing in the Indian investment scenario. Developers have also started showing interest in low-cost housing opportunities as against segment's initial down-market image. The government's mission of 'Housing for All by 2022', the 75th year of country's independence, is lined up to create a huge demand for affordable housing. The project aims to bridge the estimated housing shortage of 10 million urban houses under PMAY(U) and 29.5 million rural houses under PMAY-G.
- **Per capita home ownership is one of the lowest in India:** India has a very low penetration in the mortgage market as against peers in the developed and the developing economies. This provides plenty of opportunities for housing growth in India. The rise of population, shift towards nuclear families and government's push on the affordable housing along with an acute shortage of housing is expected to drive the housing demand.
- **Affordability:** There has been a significant rise in per capita disposable income, while the affordable mortgage rates have come down due to competition as well as government's 'credit linked subsidy scheme', making home buying easier for common Indians. Further, the effective borrowing rates have also significantly reduced on account of tax incentives declared by the government while property prices have remained largely benign over recent years.
- **Social status:** Owning a home enhances the sense of self-worth of a person and facilities upgradation of social status. Thus, a larger part of housing loans are used for self-occupied houses rather than investments. This is the chief reason behind lower defaults in the loans for self-occupied houses.
- **Housing has developed as a safe asset class:** As per RBI data, nearly 1.6% NPA for mortgages compare favourably to 19.3% for industrial loans and 5.7% for the services segment. Thus, lower capital consumption in addition to lower risk weightings has made mortgages more profitable for lenders in India vis-à-vis other loans. Furthermore, India has lower household leverage in comparison to its peers and this makes it less exposed to an adverse credit cycle, thereby, reducing the risk of default.
- **Growth in Tourism:** One of the major factor contributing to the rapid acceleration in the real estate sector is the unending growth of tourism in India. The growing inflows from tourists are expected to provide a boost to the hospitality sector. India's tourism is expected to touch US $ 418.9 billion by 2022.

Government Initiatives

The Real Estate Sector in India has been observing a restoration with several structural changes initiated by the government. The Government has kept the housing sector on a high growth trajectory by offering tax and fiscal incentives to builders and consumers, and through new consumer friendly policies.

a. Real Estate (Regulation & Development) Act, 2016 (RERA):

The Real Estate Act which came into force in March 2016, gave the Indian real estate industry its first regulator. The act ensures an equitable and fair transaction between

sellers and buyers in the primary housing market and provides the much needed assurance of quality and timely delivery to the home buyers.

RERA Act has laid down a regulatory framework which will change the way the real estate sector operates in the country. The sector is headed towards a new horizon of transparency and accountability under RERA regime.

b. Pradhan Mantri Awas Yojana (PMAY) Urban Scheme

The Pradhan Mantri Awas Yojana (PMAY) was launched in 2015 comprising two components – PMAY (Rural) and PMAY (Urban). The PMAY(Urban) subsumes all the previous urban housing schemes and aims at 'Housing for All' by the Year 2022. PMAY initially announced the Credit Linked Subsidy Scheme (CLSS) to finance home buyers in the Lower Income Category and Economically Weaker sections (LIG/EWS). In January 2017, it extended the benefit to Middle Income Group (MIG I & II) households.

It is targeted to cater to the housing shortage of approximately 3.95 Crore houses (1 Crore urban & 2.95 Crore rural) and fulfil government vision of 'Housing for All' by 2022. Since the launch of the scheme PMAY(U)in 2015, 73 lakh houses have been approved under the scheme, out of which 15 lakh houses have been completed, upto February 2019.

Post PMAY announcement in 2015, there has been a consistent increase in the proportion of new launches with smaller unit sizes of carpet area < 60 sqm to total unit launches per year. The benefit available to the buyer as well as the developer under the above scheme by way of subsidy /tax sops is bound to enhance the efficacy of the scheme.

In tune with the government's mission, the Company's novel concept of Affordable Housing Loan centres (AHLCs) to provide loans under the Credit Linked Subsidy Scheme (CLSS) for the Low Income Group (LIG) and Middle Income Group (MIG) segment under Pradhan Mantri Awas Yojana (PMAY) in peripheral areas of Tier I, II and III cities, and the growth in these centres is encouraging.

c. Smart City Project

As per the Smart City Project, the Indian government has planned to build 100 smart cities by 2025. In September 2018, the smart cities mission has received an allocation of ₹2.04 lakh Crore covering selected 99 cities. The projects worth ₹20,852 Crores are in progress for the smart cities extension. The prime agenda for the Smart Cities Mission is to promote core infrastructure and a sustainable life for the citizens of India.

Outlook for Real Estate Industry

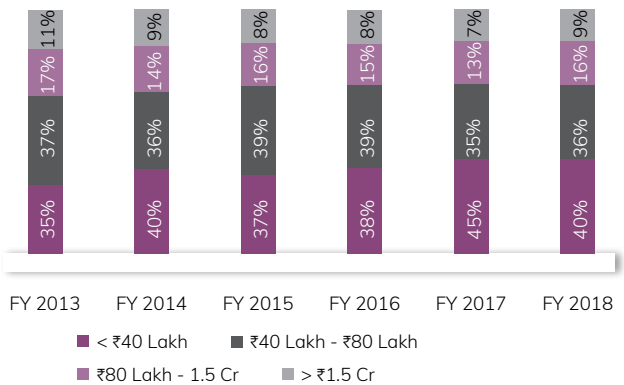
The Indian Real Estate sector is projected to reach $ 180 billion by FY 2020. In addition, the sector is anticipated to generate nearly 15 million jobs over the next 5 years. The Indian government is planning to make an investment of about US $ 1 Trillion under the "Housing for all" initiative by FY 2025. It is projected that affordable housing will drive the demand factor for the real estate sector for the next 10 years. Among the commercial segment, the warehousing space is expected to reach 247 million sq. ft. in FY 2020. While the Grade A office space absorption is projected to cross 700 million sq. ft. by FY 2022. Real Estate developers, in order to meet the growing needs for managing multiple projects across major cities, are investing in centralized processes to source material.

Housing Finance Sector Overview

The Housing Finance Companies (HFCs) form an integral part of the NBFCs, in the Indian financial system. The market borrowings of this sector have increased significantly over the past five years. This sector has introduced products such as loan against property (LAP), corporate and developer loans and lease rent discounting buckets to satisfy the needs of big-ticket borrowers. With these developments, the sector reported an estimated growth of 13%-15% during the year. As of September 2018, India's housing loan portfolio has been registered at ₹ 15 lakh Crore, out of which HFCs comprise over ₹6 lakh Crore.

The growing affordability for the first time home buyers supported by the PMAY (Pradhan Mantri Awas Yojana), is projected to accelerate housing credit growth between 17% to 19%. HFCs would require to tie-up incremental funding needs of around 4 lakh Crore for meeting growth plans and replacing the maturing liabilities by FY 19.

New Launch Supply by Budget Segmentation



Company Overview

Can Fin Homes Limited (CFHL) is a key player in the housing finance sector in India and one of the few Institutions permitted by the Regulator, National Housing Bank (NHB, to accept deposits. It has a pan-India presence with 154 branches, 21 Affordable Housing Loan Centres & 14 Satellite Offices spread across 21 states and union territories. CFHL has been offering a range of loan products including housing loans as well as non-housing loans, at competitive interest rates which are designed to cater the needs of its customers especially salaried and professional personnel.

Our focus so far has mainly been on Housing Loans to individuals with 89.5% of the loan book comprising of Housing and only 10.5% for Non-Housing. Most of our borrowers are first time home buyers as evidenced by the average age of our incremental borrowers at around 40 years.

Can Fin Homes is the first housing finance company to have introduced Affordable Housing Loan Centres (AHLCs) to lend exclusively in the peripheral areas of the Tier 1, Tier 2 and Tier 3 cities. Since the land and building value are more affordable in these areas, lending under the Affordable Housing Loan, Urban & Rural schemes and the Credit Linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (PMAY) is feasible. Currently, we have 21 AHLCs and plan to increase the number to 30.

The objective of Can Fin Homes, as envisaged when it was instituted 31 years ago, was to promote home ownership and increase housing stock in the country and the noble cause continues. As our target segments are LIG and MIG-I borrowers, the average ticket size of our housing loans pegged at ₹18 lakh, is more by default rather than design, considering the fact that the affordability of the homes acquired and their repaying capacity determines the ticket size.

SWOT Analysis

Strengths

- Diversification in loan offerings under housing and non-housing loans to cater the requirements of middle and lower income group.
- Increasing geographical reach, with 152 branches with 21 Affordable Housing Loan Centres & 14 Satellite Offices spread across 21 states / union territories.
- Faster Turn Around Time (TAT) for loan approval.
- Strong parentage with established track record.
- Low risk portfolio dominated by housing loans to salaried class.

Weaknesses

- A lot of concentration is on the southern part of the country, as 70% of the branches are located in this region. This leaves a lot of scope to expand branch network all over India.
- Provides financial assistance only based on evidenced income.
- In a disadvantaged position with regard to ROI compared to banks.

Opportunities

- Increasing demand for houses in the suburbs of India.
- Development of Smart Cities along with increasing population.
- "Housing for All" - Push by Government of India through PMAY-CLSS schemes.
- Branch expansion to Non-South tier II/III growth centres in recent years - full potential is yet to be tapped.

Threats

- Increasing price of land and property.
- Stiff competition from public and private banks.
- Uncertainties in Real Estate Sector.
- Rising cost of funds

Business Segment Overview

Lending Operations

Over the years, we have built upon our business to widen our product offerings to meet the changing customer needs. Today our portfolio consists of 24 loan products, under housing as well as non-housing, tailor made for the niche customer segment we cater to.

True to its main objective of improving home ownership in the country, CFHL continues to remain a purely retail home loan player in LIG and lower MIG space. At the end of the year under review, Housing loans constituted 89.5% of the total loan book (89.5% at previous year end) and the segment grew by around 17% to reach ₹16,443 Crore. Non Housing Loans, at ₹1,939 Crore remained subdued at around 10.5%.

Housing loans and other loans sanctioned (loan approval) were to the extent of ₹5,952 Crore compared to previous year's ₹5,760 Crore. The loan portfolio as at March 31, 2019 amounted to ₹18,381 Crore as against ₹15,743 Crore in the previous year, an increase of 17% YOY.

To capture the growth opportunities, the Company has increased its branch network across its area of operations. The number of outlets of the company at the end of the financial year was 189, with an increase of 22 branches during the year. As a strategic shift in our expansion plan, we have rapidly grown in non-metro Tier II and Tier III growth centres, recording a loan book growth of 30% in non-metro centres and 11% in metros.

The customer profile continues to be dominated by the salaried and professional category. The average ticket size of incremental housing loan and non-housing loans are ₹18.12 lakh and ₹9.15 lakh respectively.

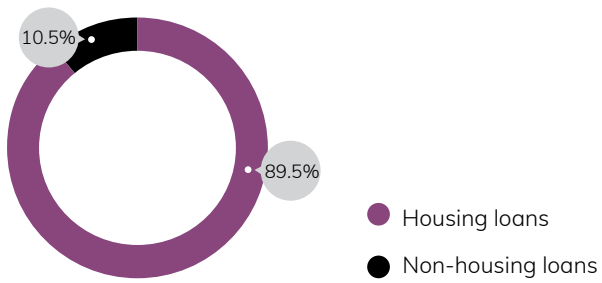
Loan Products

CFHL's product basket comprises housing loans for construction, purchase of new dwelling units, repairs and renovation, purchase of site, composite loan for purchase of site and construction of house thereon, loans for Urban / Rural housing etc and Non-housing loans like mortgage loans, personal loans to existing customers, loans for commercial property, loans for rent receivables etc. The following new loan products have been introduced during the year:

1) Introduction of two new housing loan products, Affordable Housing Loan Urban (AHL-U) and Affordable Housing Loan-Rural (AHL-R) is expected to give a fillip to our lending under the EWS and LIG segments.

2) Loans for purchase/construction/repairs & renovation of Individual Houses/Flats up to ₹ 10 lakh to borrowers who are getting salary by cash – IHL (Cash Salary) scheme.

Lending mix as on March 31, 2019



Deposit Schemes

CFHL accepts two types of deposits viz; Fixed and Cumulative Deposits. These schemes are designed by CFHL to cater to the needs of the common man. Effective 19th July 2018, interest rate structure under both deposit schemes has been revised. An additional rate of 0.50% continues for senior citizens. CFHL has also revised the minimum deposit amounts for fixed deposit scheme to ₹2 Lakh with the option of quarterly, half-yearly and yearly interest payment and ₹10 lakh for monthly interest payment. The minimum deposit amount for Cumulative deposits continues to be ₹20,000/-.

Marketing & Distribution

CFHL has been successful in expanding its presence in different parts of the country. The Affordable Housing Loan Centres launched by the company have been attracting more business opportunities, as it has reached several potential areas that were not covered in the past. CFHL has a Pan India presence with 154 branches, 21 Affordable Housing Loan Centres (AHLCs) and 14 satellite offices spread across 21 states. During FY 19, additional 22 branches have been opened in Chattisgarh, Uttarakhand, Gujarat, Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Uttar Pradesh, Rajasthan, Punjab and West Bengal. All branches are linked to its registered office based at Bangalore through a core banking

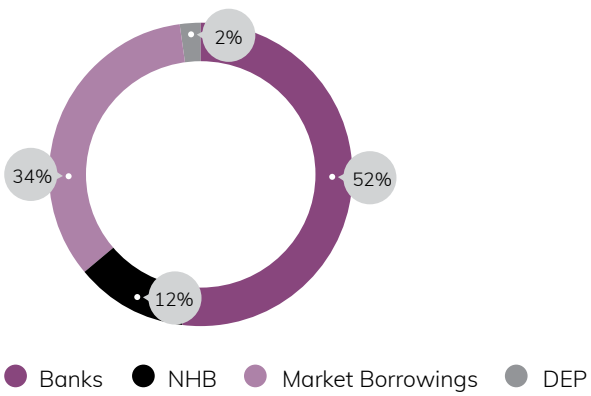
system. During the current fiscal, CFHL envisages opening 20 branches / AHLCs in the first phase.

The Company continues to source about 50% of its business through Direct Selling Agents (DSAs) in its branches. DSAs are permitted to source loan proposals from eligible customers on behalf of the organization. However, the DSAs only provide leads to the Company and the entire loan process is handled by Company Officials. During the year, there were 748 active DSAs and the business secured through them amounted to 53% of the sanctions and 51% of disbursements for the year as against 46% & 48% respectively during the previous year.

Funding Sources

CFHL raises resources for its lending activities by way of term loans, credit lines from Banks, refinance from National Housing Bank, money market instruments like Non-convertible debentures(NCDs, Commercial Papers (CPs)and deposits from the retail market. As on 31st March 2019, the borrowings of the company stood at ₹16694 Crore.

Funding Mix as on March 31, 2019



Ratings

a. **For Deposits:** [MAAA with a stable outlook, highest-credit-quality rating assigned by ICRA]
b. **For Borrowing from Banks:** ICRA AA+ (Outlook Stable)
c. **For Debentures:**
   - **Secured NCD:** ICRA AA+ (Outlook Stable) CARE AAA IND AAA (Outlook Negative)
   - **Unsecured NCD:** ICRA AA+ (Outlook Stable) CARE AAA IND AAA (Outlook Negative)
d. **For Commercial paper:** ICRA A1 + CARE A1 + IND A1+]

Risks and Concerns

Risk is an integral part of the Company's business and effective management of its risk is critical to the functioning of any Housing Finance Company.

At CFHL, we take cognizance of the prevalent risks that could be detrimental to our Company and ensure that a constant vigil is maintained and necessary measures are taken to manage and offset the same. The Company is exposed to risks such as Credit risk, Interest rate & Market risk, liquidity risk and operational risk.

Credit Risk Assessment:

Credit risk is the risk associated with our primary activity of providing home loans and is an inherent threat to our business.

Mitigation:

Sound and strategic credit policies have been framed to aid the management of credit risk.

All new proposals undergo a credit appraisal process which includes a comprehensive credit risk assessment procedure, standardized for analysing related qualitative and quantitative information of each borrower, in order to optimally ascertain their individual creditworthiness. The services of various credit assessment agencies like the Credit Information Bureau of India Limited (CIBIL), Experian etc., and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India(CERSAI) are utilised by the Company to evaluate the potential risk of a new borrower.

As per our Risk Management Policy, the creditworthiness of the existing borrowers is periodically assessed at the time of annual resetting of interest rates and the internal evaluation and monitoring mechanisms set up like Offsite Transaction Monitoring System(OTMS) provides the required inputs and information for remedial action.

Special Mention Accounts (SMAs) are regularly reviewed for enabling the prudent handling of default accounts since there is need for continued vigil on the asset quality as well as resolution of stressed assets. It is an absolute necessity to ensure that slippages are contained.

Market Risk & Interest Rate risk:

Market risk can be defined as the risk arising from adverse movements in market prices. External factors such as inflation, deflation, demand, supply dynamics which are not within the

Company's control give rise to risks like funding risk, liquidity risk and interest rate risk.

Mitigation:

Strategic optimization of short term and long term debt is a key aspect of our borrowing policy along with fixed and floating rate instruments. Interest rate fluctuations are taken care of by the rate sensitive assets which can be re-priced. Moreover all the loans granted after April 01, 2017 are subject to annual reset of interest rates.

Liquidity Risk

Liquidity risk is the risk of not having sufficient funds to meet the liabilities. It arises mainly in situations where our borrowings are dependent on the market liquidity conditions and the company may not get the required funds.

Mitigation:

At CFHL, prudential fund mobilization methods are followed by adhering to the asset-liability management tolerance level. It is ensured that instead of depending on a single fund provider, borrowings are raised from different lenders like banks, National Housing Bank and raising of funds from varied sources like commercial papers, non-convertible debentures etc. This has enabled the Company to get funds at lower rates and aids liquidity management. The company reviews it fund position on a daily basis and the ALCO meets regularly and assesses the requirement of funds.

The company remained largely unaffected by the recent liquidity crisis in NBFC/and HFC sector.

Operational Risk

Operational Risk is the risk of loss arising from failure of internal process, systems and people or from external events. The most important type of operational risk involves break down in internal controls and Corporate Governance. Such break downs can lead to financial loss through error, fraud or failure to perform in a timely manner or cause the interest of the Company to be compromised.

Mitigation:

The Company has formulated sound principles and guidelines for managing operational risk. It has a well-established internal control system which envisages segregation of duties, clear management reporting lines and adequate operating procedures. The efficacy of the same is periodically reviewed for making improvements and improving efficiency. Periodic branch visits are undertaken by the executives / officials to ensure that the procedures laid down are systemically followed to avoid operational risks. Risk based Internal Audits(RBIA) are conducted across all branches at periodical intervals, apart from the quarterly/Half-yearly audit/inspections. Further, inputs from recovery teams, audit reports, customer grievances are periodically collected and analysed to identify failures and detect potential threats in order to undertake timely action to ward off the recurrence of operational risks.

As preventive vigilance, the company has in place the off-site transaction Monitoring system(OTMS) to detect early warning signals on a near to real-time basis apart from the whistle blowing mechanism.

Asset Liability Management

The Company has an Asset Liability Management (ALM) policy for increased profitability and effective functioning with prudential limits set for liquidity mismatch and interest rate sensitivity, review mechanisms within the set limits by the National Housing Bank.

The ALM Committee of Executives at RO (ALCO)functions as the operational unit for managing the balance sheet and asset liability mismatches. The ALCO analyzes the cash flows in different time buckets based on future likely behavior of assets, liabilities and off-balance sheet items. The ALCO continuously monitors the uses and sources of funds and prevents any mismatch between the two. All the borrowing decisions and raising funds in the form of NCD's, CP's, bank borrowings, refinance and any other mode, is taken at appropriate levels as per the Board approved policy on borrowings.

Additionally, the financial risks of the Company are periodically reviewed by the Risk Management Committee, Audit Committee and the Board of Directors.

Internal Audit

The Company's operational efficiency is taken care of by an effective internal control team.

Various audit reports provided by the Risk Based Internal Audit (RBIA) inspection officials, NHB and Canara Bank inspectors as well as the Internal and external Auditors of branches are placed before the Audit Committee of the Board for review. The reports of standalone 'Application audit of IT systems' by the IT auditors and special audit for evaluating 'efficiency of existing internal control systems' are being reviewed by the

Audit Committee. In addition to that, after every quarter, the Committee reviews the operation and performance of the audit department.

The Risk Profile of the Company, KYC/AML compliances, legal compliance report, ALM at quarterly intervals and compliance of fair practice code, customer complaints at half yearly intervals as per the regulatory guidelines are scrutinised and reviewed by the Board of Directors. The critical analysis of the policies of the Company is done by the Risk Management Committee prior to review and approval of the Board.

Asset Quality

The Company has a robust recovery mechanism to contain NPAs, supported by legislations such as SARFAESI Act. Special recovery campaigns and setting up of special recovery hubs at metros, manned by dedicated staff exclusively handling recovery of SMAs/NPAs has helped the Company in curtailing default accounts. Action as per the provision of SARFAESI Act has been initiated in 639 accounts involving ₹95.56 Crore, 307 accounts (₹38.24 Crore) were upgraded through recovery, properties were auctioned in 46 accounts (₹9.27 Crore) and the remaining accounts are in various stages of auction process.

In order to get credit-worthy clients and borrowers, risk appraisal is compulsorily done in the initial stages itself prior to pricing and sanction of loans.

As at March 31, 2019 the Gross NPA stood at ₹113.51 Crore (0.62%) as against ₹67.49 Crore (0.43%) during the previous year.

Outlook

1. **Vision 2022:** Loan Book size of ₹40,000 Crore by the end of FY2022 growing at a CAGR of 26%

2. **Business Budget for 2019-20:**

   a. Loan book size of ₹23,000 Crore vs ₹18,381 Crore at Mar'19 (+25%)

3. **Branch Expansion Plan for 2019-20:**

   a. 20 New Branches in Tier II/III Growth Centres during the first phase & Rationalization of existing branches in Metros

   b. Total Network (Branch/AHLC & SOs) – crossing 200 mark by Mar'20 (189 as on 31.03.19)

   c. Focus on Affordable Housing Loans and Non-Housing loans

   d. Salaried & Professional class would continue to be our niche segments

   e. Raising of fresh equity up to ₹1000 Crore through Rights Issue/QIP/Preference Share

The Company successfully migrated to Ind-AS and it was the first audited full year accounts published under the new Accounting Standard. Major impact on P&L was on account of amortization of processing fee over the entire loan life (₹28.78 Crore out of current year fee income amortised over subsequent years vis-à-vis ₹25.27 Crore for FY 18). This apart, current year P&L has the impact of a higher CSR spend of ₹2.68 Crore compared to previous year and a one-time hit of ₹8.76 Crore pertaining to previous period tax expenses. Cumulative negative impact of above three components on FY19 P&L aggregates to ₹15 Crore which is reflected in the subdued PAT growth for the year.

Financial Review and Analysis FY 18-19

₹ in Crore

Particulars	2018-19	% of Capital	2017-18	% of Capital	Growth%
Equity Share Capital	26.63	0.14	26.63	0.17	-
Reserves & Surplus	1755.55	9.51	1460.35	9.48	20.21
Net Worth	1782.18	9.65	1486.98	9.65	19.85
Loan Funds	16694.43	90.35	13921.02	90.35	19.92
Deferred Tax Liability	-	-	-	-	-
Capital Employed	18476.61	100.00	15408.00	100.00	19.92

Capital employed

The total employed capital of the Company for FY18-19 stood at ₹18,476.62 Crore, an increase of 19.92% from the previous year.

The long term borrowings of the Company as on March 31, 2019 stood at ₹12,948.85 Crore compared to ₹10,680.67 Crore in FY17-18, an increase of 21.24%. .

The equity capital was similar to last year, whereas the net worth increased by 19.85% on account of the increase in the reserves and surplus.

The Company's CAR (Capital Adequacy Ratio) as on March 31, 2019 stood at 16.44% (Tier 1 capital of 14.64%), as against statutory minimum of 12%. This has the impact of Term deposit amounting to ₹257 Crore(matured on 10th April'2019) held with Canara Bank which has been reduced for computation of Net owned funds. The CAR without considering the aforesaid term deposit would have been 19.24% (Tier 1 capital of 17.44%).

The Company is well capitalized and internal accruals have been strong enough to sustain and support growth rates.

Net worth

The Company's net worth was ₹1,750.08 Crore (net of Dividend cost) as on March 31, 2019, which increased by nearly 20% compared to the previous year's ₹1,454.93 Crore as on March 31, 2018.

Reserves and surplus: The reserves and surplus increased from ₹1,428.30 Crore as on March 31, 2018 to ₹1,723.45 Crore as on March 31, 2019 (net of Dividend cost).

Loan Funds

The total long-term borrowings of the Company as on March 31, 2019 stood at ₹12,948.85 Crore compared ₹10,680.67 Crore as on March 31, 2018. The gearing ratio is 9.37 at the year end, well within the permitted limit of 16 times of the Company's net owned funds. However, to improve the leverage ratio further and to support an accelerated growth planned during FY20 – FY22, we have put in place a Board approved capital raising plan so as to keep the Company prepared ahead of time.

Key Ratios

Particulars	2018-19	2017-18	Growth%
Debtors Turnover	-	-	-
Inventory Turnover	-	-	-
Current Ratio	-	-	-
Interest Coverage Ratio	1.40	1.47	-0.07
Debt Equity Ratio	9.37	9.36	-0.01
Operating Profit Margin (%)	27.18	29.78	-2.60
Net Profit Margin (%)	17.14	18.83	-1.69

₹ in Crore

Particulars	2018-19	2017-18	Growth%
Revenue	1731.35	1521.98	+13.76
PAT	296.76	286.62	+3.54
EBIT	1638.63	1412.53	+16.01
EBIDTA	1641.60	1415.62	+15.96
EPS (₹)	22.29	21.49	+3.68

Analysis of Profit & Loss

- Gross earnings of the Company during FY18-19 increased by 14% over previous year while expenses were contained at 15% resulting in a 4% rise in Operating Profit from ₹453.18 Crore in FY17-18 to ₹470.60 Crore in FY18-19.
- PAT for the year, at ₹296.76 Crore clocked a Y-o-Y growth of 3.4% and PBT for the same period grew by 8.9% to ₹469.50 Crore
- Despite rising pressure on margins, amortization of processing fee over the entire loan life under Ind-AS and its impact on PAT, we registered ROAA of 1.76% (1.90% under IGAAP) and Return on Equity (ROE) of 18.16% (21.38% under IGAAP) in FY18-19 as against 21.30% in FY 17-18.
- We could sustain our margins above the 3% mark consistently (3.14% for FY19) with a prudent borrowing mix and a healthy asset portfolio.
- The Company's cost to income ratio was contained at 16.30% (16.23% in FY17-18) which is one of the best among peers
- For the 4th successive year, the Company declared 100% dividend representing a payout ratio of 8.97% (excluding taxes).

Human Capital

CFHL considers its human capital as most precious. The organization ensures that adequate thrust is given to training, upgrading skills and competencies of the employees. Efforts are made to choose the right candidates with right skills and knowledge for the right position in the organization. The employee mix of CFHL comprises professionals from various fields including CA, CMA, CS, legal and IT professionals. The company goes beyond the set boundaries of compensation, performance reviews and development to help build a long-lasting and fruitful career. As a part of company's expansion strategy, employees are hired at regular intervals. As on 31st March 2019, the total employee strength of the company is 792, representing increase of 22% over previous year.

IT and Security

The operations of all the branches and the Registered Office are linked through a core-banking platform (Integrated Business Suite) under the Application Service Provider (ASP) Model.

The Company will be shortly implementing the MPLS links for a higher bandwidth and dedicated uptime.

The existing website has been fully revamped and made user friendly with increased functionality. Online Application Module has also been enabled in its new website along with customer portal to access account statements/ certificates and to do online money transfer. SMS alerts and missed call facility to provide information on loan balances are also provided by the Company.

The Company has a good set of IT professionals hired from reputed institutions / firms to increase the operation efficiency in the Information Technology area

Segment wise Reporting

Segment has been identified in line with the Accounting Standard on segment reporting, taking into account the organization structure as well as the differential risk and returns of these segments. The Company is exclusively engaged in the Housing Finance business and revenues are mainly derived from this activity.

Related Party Transactions

CFHL maintains an arm's length relationship with related parties. The Company's detailed policy on related party transactions is uploaded in the Company's website for the information of all the stakeholders. The related party transactions with details are furnished in the Note forming part of the accounts. All related party transactions are approved by the Audit Committee or Board or members at a general meeting, as applicable.

Corporate Social Responsibility

Corporate Social Responsibility at CFHL primarily focuses around education, health and other social welfare measures. The company came forward to empower the underprivileged children of the society through the powerful medium of education by providing desks, benches, chairs, tables, lights, fans, notebooks and other required accessories in schools, water purifiers for safe and clean drinking water. The company also provided medical equipment in hospitals and carried out repair work in hospitals with the noble objective of augmenting healthcare for the needy and deserving.

Essential amenities like solar plants, washing machine and RO water plants in old age homes and similar centres run for destitutes. Mid-day meals were funded through the Akshay Patra schemes in Bangalore and Mangalagiri (Andhra Pradesh).

During the year under review, a total of ₹ 6.06 Crores has been spent towards CSR activities undertaken by the company for improving the lives of children, men and women in our country.

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Cautionary Statement

The statements made in this report describing the company's objectives, estimations, expectations or projections, outlooks constitute forward looking statements within the meaning of applicable securities, laws and regulations. Actual results may differ may differ from such expectations, projections, among others whether express or implied. The statements are based on certain assumptions and future events over which the company has no direct control. The company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

For and behalf of the Board of Directors

Sd/-
Bharati Rao
Chairperson

Place : Bengaluru
Date : May 22, 2019

Report of Directors

1. FINANCIAL RESULTS

The financial performance for the FY18-19 is summarised here below:

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before Tax & Provisions	47,059.70	45,318.40
Less: Impairment on financial instruments	109.22	2,210.00
Profit before Tax	**46,950.48**	**43,108.40**
Less: Tax expenses:		
(a) Provision for Tax - Current Year	17,203.91	16,075.46
- Previous Year	151.54	(334.38)
(b) Deferred Taxation	(78.67)	(1,251.91)
Profit after Tax	**29,673.69**	**28,619.23**
Add: Other Comprehensive Income		
A. Items that will not be reclassified to profit or loss		
(i) Actuarial (Gain)/ loss	(4.21)	(64.53)
(ii) Income tax relating to items that will not be reclassified to profit or loss	1.47	22.33
B. Items that will be reclassified to profit or loss		
(i) Income tax relating to items that will be reclassified to profit or loss	0.00	0.00
Other Comprehensive Income	(2.74)	(42.20)
Total Comprehensive Income for the period	**29,676.43**	**28,661.43**
Balance brought forward from previous year	81.71	1,025.54
	29,758.14	**29,686.97**
Appropriations:		
Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961	8,739.45	8,300.00
Transfer to General Reserve	5,935.29	12,000.00
Additional Reserve (u/s.29C of the NHB Act)	5,935.29	6,100.00
Proposed Dividend #	2,663.08	2,663.08
Tax on Distributed Profits	547.40	542.18
Balance carried forward to balance sheet	5,937.63	81.71
	29,758.14	**29,686.97**

Note: Figures have been regrouped wherever necessary while preparing the statements as per IND-AS requirements.

#The proposed dividend of ₹2/- per equity share and tax thereon are not recognised as liability in the annual accounts as at March 31, 2019 (in compliance with IND AS 10 Events occurring after the Balance sheet date). The same will be considered as liability on approval of shareholders at the 32nd Annual General Meeting.

2. SHAREHOLDERS' WEALTH

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Earnings Per Share (EPS) (₹)	22.29	21.49
Dividend Rate	100%	100%
Market Price of shares (₹)	348.85	484.50
Market Capitalisation (₹ in Crore)	4,645.08	6,451.32

3. BUSINESS PERFORMANCE HIGHLIGHTS

a) Sanctions

During the year, the Company has sanctioned loans amounting to ₹5952 Crore as compared to ₹5760 Crore in the previous year, recording a growth of 3.3%. Inspite of continued sluggishness in the real estate market post demonetization, teething troubles of RERA and GST implementation, your Company managed to show a slender margin of positive growth, in approvals, during 2018-19.

During the year, as in the previous year, thrust was given to retail (housing and non-housing) loan segment. 88% of fresh loan approvals during the year were for housing and 12% were for non-housing loans. The cumulative loan sanctions since inception of your Company stood at ₹38074 Crore at the end of the FY19. Average ticket size of incremental housing loans and non-housing loans are ₹18.12 Lakh and ₹9.15 Lakh, respectively.

b) Disbursements

During the year, the Company has disbursed loans amounting to ₹5,479 Crore as compared to ₹5,207 Crore in the previous year, recording a growth of 5.2%. The cumulative loan disbursements from inception to the end of the FY19 was ₹33,769 Crore.

c) Loans outstanding (Loan Book)

Your Directors are pleased to report that the total loan outstanding as at March 31, 2019 was ₹18381 Crore, recording a growth of around 16.8% over last year (previous year ₹15,743 Crore).

During the year, non-housing loan portfolio has increased from ₹1,654 Crore to ₹1,939 Crore indicating a growth rate of 17.2%, which constitutes 10.5% of total portfolio approximately.

d) Non-Performing Asset (NPA)

The Gross NPA of your Company as on March 31, 2019 was contained at ₹113.51 Crore (previous year ₹67.49 Crore). The net NPA as on date was ₹79.47 Crore, with the NPA provision Coverage Ratio at 39% during the year. The gross NPA percentage as on March 31, 2019 stood at 0.62% compared to 0.43% as on March 31, 2018.

During the year under review, your Company could make a cash recovery of ₹11.44 Crore (previous year ₹9.10 Crore) in respect of accounts which were Non Performing Assets.

e) Profits

Your Directors are happy to inform that during the year under review, your Company recorded an Operating Profit of ₹470.60 Crore (previous year ₹453.18 Crore), Profit Before Tax (PBT) of ₹469.50 Crore (previous year ₹431.08 Crore) and Profit After Tax (PAT) of ₹296.76 Crore (previous year ₹286.62 Crore) registering a Year-on-Year increase of 3.84%, 8.91% & 3.42% respectively. During the year Company has made provisions for standard assets amounting to ₹0.40 Crore (previous year ₹2.10 Crore), provisions for Non-performing assets amounting to ₹0.69 Crore (previous year ₹20.00 Crore), provisions for Taxation and Deferred Tax Asset amounting to ₹172.77 Crore (previous year ₹144.89 Crore).

f) Reserves

For reserves during the year please refer statement of changes in equity for the period ended March 31, 2019 forming part of Financial Statements, 2019.

g) Dividend

Your Company has been paying dividends continuously. Your directors, after giving due consideration to Capital Adequacy requirements, deferred tax liability and the dividend policy, are happy to recommend a dividend of ₹2/- per equity share (100%), for the financial year ended March 31, 2019 for the 4th successive year. The amount of dividend recommended for payment for the year under review is ₹26.63 Crore. The tax on dividends u/s.115-O of the Income Tax Act, 1961, at about 20.56% (₹5.47 Crore) [Previous year 20.36% amounting to ₹5.42 Crore] is being paid to the Government by your Company. The Dividend Distribution Policy as required under regulation 43A has been provided as Annexure-3 to this report and is also available on the weblink http://www.canfinhomes.com/pdf/Dividend-Distibution-Policy-120419-pdf

4. EXPANSION OF BRANCH NETWORK

Your Company has been continuously expanding its network of branches. Though our presence in Southern states is predominant, new branches and satellite offices have been

opened in various parts of the country after examining the potential on the basis of surveys conducted.

During FY19, 22 new branches were opened and 1 Satellite Office was upgraded to Affordable Housing Loan Centre (AHLC), for exclusively providing smaller ticket size Loans under Credit Linked Subsidy Scheme (CLSS)(Pradhan Mantri Awas Yojana), Loans under Urban Housing (LUH) and Loans under Rural Housing (LRH) schemes. As at the end of FY19, your Company has an expanded network of 189 outlets spread across 21 states comprising 154 branches, 21 AHLCs and 14 Satellite Offices.

During the FY20, your Company has plans to open 30 more branches / AHLCs, (20 in the 1st phase) taking the total number of outlets to about 200. The Branches of your Company as well as the Registered Office are operating in spacious premises situated in good and accessible localities with the objective of providing a pleasant environment and amenities to our customers.

5. TECHNOLOGY INITIATIVES

All the branches and the Registered Office are linked through a core-banking platform (Integrated Business Suite) under the Application Service Provider (ASP) Model. The Company is in advanced phase for implementation of MPLS links for a higher bandwidth and dedicated uptime.

In order to improve operational efficiency, your Company has embarked on technology initiatives like implementation of C-KYC (Central KYC) solution. The CKYC will act as centralized repository of KYC records of customers in the financial sector with uniform KYC norms and inter-usability of the KYC records across the sector. Your Company has launched new website to make it interactive and more user friendly. Online Grievance Redressal portal has been deployed in the new website.

Your Company has introduced online Application Module in its website and a customer portal to access account statements/ certificates and online money transfer. Your Company also provides SMS alerts and missed call facility to provide information on loan balances.

The Company has set up an in-house team of IT professionals drawn from reputed institutions / firms to enhance IT capabilities.

6. CUSTOMER-FRIENDLY INITIATIVES

The Company continues to follow transparent, fair and impartial practices encompassing all the customers across branches. Information related to our Company, products, schemes and charges are made available in the website of the Company. As per NHB directions, the Fair Practices Code (FPC) and Most Important Terms and Conditions (MITC) are regularly updated and uploaded in the Company's website for disseminating the information to our customers, clients and general public.

The customer portal has been enabled to access account statements, certificates and online money transfer.

As a customer friendly initiative, under CSR activities, our branches are providing tree saplings along with tree pots and guards to customers. We have also provided cotton cloth bags to our customers across the country through our branches, in order to sensitise people and curb the use of plastic.

7. FINANCIAL RESOURCES

a) Refinance from National Housing Bank (NHB) and borrowings from Banks

During the year, your Company had availed fresh refinance amounting to ₹1000 Crore (previous year ₹90 Crore) under the NHB refinance scheme. The cumulative NHB borrowings as on March 31, 2019 were ₹1,971.22 Crore (previous year ₹2,083.09 Crore), with the overall cost of borrowing (including the loans under Rural Housing and Urban Housing Schemes) of 7.11% p.a.

Borrowings from Bank

During the year, borrowings were diversified through a combination of short-term and long-term loans considering the asset liability management position to derive the maximum benefit of competitive interest rates. The lenders included State Bank of India, Lakshmi Vilas Bank, Federal Bank, HDFC Bank and Corporation Bank apart from Canara Bank, the principal bankers to the Company. The aggregate bank borrowings (term loans plus overdraft) at the end of the financial year stood at ₹8,855.86 Crore (previous year ₹4,635.74 Crore); the overall borrowings are within regulatory ceiling of 16 times of net owned funds.

The overall cost of borrowings from banks was 8.05% p.a. as on March 31, 2019. During the year, the long-term 'rating' of the Company for term loans was '[ICRA] AAA' (pronounced ICRA triple A) with a negative outlook signifying the highest degree of safety with regard to the timely servicing of financial obligations. The rating has been revised by ICRA as [ICRA] AA+ (Pronounced as ICRA Double A Plus) outlook stable, signifying high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rationale given for downgrade in credit rating is due to the downgrade in credit ratings of the Company's principal shareholder (Promoter) viz. Canara Bank.

b) Debentures

(i) Secured Non-Convertible Debentures

The Company has not issued any Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures (SRNCD) during the year (previous year ₹1,400 Crore). The debentures were secured by way of a floating charge on the assets i.e., loan receivables specifically earmarked for the purpose in favour of the Debenture Trustees. Most of the investors in these debentures comprised major insurance companies, public sector banks, corporates, PF Trusts & Funds and investors of repute, indicating their safety perception in your Company's fundamentals and prospects.

The tenure of the outstanding debentures are range bound for two to five years. The interest on these debentures was serviced regularly. The aggregate borrowings by way of Secured NCDs as on March 31, 2019 was ₹3,450.15 Crore (previous year ₹4,898.27 Crore) while the overall cost was 7.92% p.a.

The debentures were rated 'IND AAA' (Outlook Negative) by India Ratings and Research Pvt. Ltd (FITCH), CARE AAA' (Outlook Stable) by CARE Limited and '[ICRA] AAA' (Outlook Negative) by ICRA Limited. The rating has been revised by ICRA as [ICRA] AA+ (pronounced ICRA double A Plus). Outlook stable, signifying high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. These debentures were listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited.

Your Company plans to raise Non- Convertible Debentures up to a maximum of ₹6,000 Crore subject to cost benefit and asset liability management requirements and with the approval of members at ensuing Annual General Meeting.

(ii) Unsecured Non-Convertible Debentures

During FY14-15, your Company had issued 8.94% Unsecured Non-Convertible Debentures in the nature of Tier II Bonds aggregating ₹100 Crore for a tenure of 10 years. These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing Capital Adequacy Requirements. These Tier II Bonds were rated 'IND AAA' (Outlook Negative) long-term rating by India Rating & Research Pvt Limited (FITCH), CARE AAA' (Outlook Stable) by CARE Limited and '[ICRA] AAA' (Outlook Negative) by ICRA Ltd. The rating has been revised by ICRA as [ICRA] AA+ (pronounced ICRA double double A Plus). Outlook stable, signifying high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Your Company has serviced the interest on the above debentures on the due date.

The rationale for downgrade in credit rating given by ICRA is due to the downgrade in credit ratings of the Company's principal shareholder (Promoter) viz. Canara Bank.

c) Commercial Paper

Your Company mobilises funds through commercial paper (CP) also. The outstanding at the end of the March 2019 was ₹2,156.11 Crore (previous year ₹2,075.62 Crore). The effective cost of funds raised through CP was 7.76% p.a. The CP issued by your Company was rated at the maximum [ICRA] A1+ rating by ICRA Ltd., and CARE A1+' by CARE Limited indicating, 'Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations'.

d) Deposits

During the year your Company accepted deposits of ₹142.56 Crore (Previous year ₹122.71 Crore). The outstanding balance of deposits (including interest accrued, but not due) as of March 31, 2019 was ₹261.09

Crore (previous year ₹228.30 Crore). The rate of interest on public deposits ranged from 7.00% to 8.10%, while the overall cost (average) of deposits was 7.74% p.a. as on March 31, 2019.

As on March 31, 2019, a sum of ₹19.94 Crore relating to 891 accounts of public deposits (₹8.81 Crore as on March 31, 2018 relating to 762 accounts) remained unclaimed/ overdue. Of this amount, a sum of ₹5.75 Crore relating to 373 accounts (previous year ₹1.86 Crore relating to 67 accounts) were claimed and renewed/settled upto May 15, 2019. Your Company has not defaulted in repayment of deposits or interest during the year. The Company has complied with the requirements under Chapter V of the Companies Act, 2013 to the extent applicable.

During the year, the deposit schemes of your Company have been rated 'MAAA' (pronounced as M Triple A) with a outlook revised to stable from negative, by ICRA Ltd., indicating 'highest credit- quality' and that the rated deposit programme carried the lowest credit risk. Your Company, being a housing finance Company registered with National Housing Bank (NHB), has complied with the Directions/Guidelines issued by the NHB with regard to deposit acceptance and renewal. Your Company is exempted from the applicability of the Companies (Acceptance of Deposits) Rules 2014.

e) Mortgage-backed securities

Your Company did not opt for securitisation during the year under review. There were no securitised assets outstanding as on March 31, 2019.

8. REGULATORY COMPLIANCES

a) Compliance with Directions/ Guidelines of National Housing Bank (NHB) and other statutes

Your Company adhered to the prudential guidelines for non- performing assets (NPAs) as per the National Housing Bank (NHB) Directions 2010, as amended from time to time. Your Company complied with the guidelines and directions issued by NHB on withdrawal of pre-closure charges for all loans. The Guidelines/ norms for asset classification of credit/ investments, credit rating, acceptance of deposits, Fair Practices Code (FPC), Most Important Terms and Conditions (MITC), Customer Complaints Redressal Mechanism, Know Your Customer (KYC), Anti-Money Laundering (AML) Guidelines, Asset Liability Management, Capital Adequacy Ratio (CAR) norms, Information Technology frameworks, CERSAI and other related instructions, issued by the National Housing Bank (NHB) were implemented in letter and spirit with an explicit notification on the website of your Company, to the extent applicable.

During the year the NHB has issued new master circulars/ circulars for Housing Finance Companies relating to:

(i) Circular No. NHB(ND)/DRS/REG/MC-07/2018 dated July 2, 2018 captioned "Master Circular- Housing Finance Companies – Corporate Governance (NHB) Directions, 2016".

(ii) Circular No. NHB(ND)/DRS/Policy Circular No.88/2017-18 dated April 16, 2018 and Circular No. NHB (ND)/DRS/Policy Circular No.89/2017-18 dated June 14, 2018 on "Implementation of Indian Accounting Standards (Ind AS)".

(iii) Circular No. NHB (ND)/DRS/Policy Circular No.92/2018-19 dated February 05, 2019 on "Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies".

Your Company has taken steps to comply with the requirements of all the applicable provisions of the above circulars.

In terms of the Housing Finance Companies - Corporate Governance (NHB) Directions, 2016, the Company has given the Related Party Transactions Policy as Annexure 4 to this Report.

Your Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010 except for one instance detailed below:

National Housing Bank (NHB) vide its letter NHB(ND)/DRS/APPEAL-1/17/A-744/2019 dated January 17, 2019 has imposed a penalty of ₹5900 (inclusive of GST @ 18%) for alleged contravention of section 32 of the NHB Act, 1987 and the Fair Practice Code issued by NHB, for which the Company has sent a reply and remitted the amount under protest.

During the year, the NHB conducted regular inspection of your Company during August & September 2018, for the position as at March 2018. The compliance on the

observations were submitted within the prescribed time to the NHB, which were reviewed by the Audit Committee and the Board.

Your company has complied with other related statutory Guidelines/Directions as applicable to the Company from time to time. Compliance of all Regulatory guidelines of NHB/other statutes are periodically reviewed at Audit Committee and Board.

Your Company has complied with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard). Amendment Rules, 2016 as applicable read with Section 133 of the Companies Act, 2013 and guidelines issued by National Housing Bank.

As per NHB letter No.NHB(ND)/DRS/CRCELL/A-3187/2018 dated December 11, 2018, the Company was advised to get registered with National Consumer Helpline (NCH) as convergence partners through INGRAM software. The Company has completed the registration process.

As per National Housing Bank Circular "NHB/ND/DR5/ Policy Circular No.90/2017-18" dated June 15, 2018, IT Strategy Committee has been constituted with Shri G Naganathan, Independent Director as the Chairperson Dy. Managing Director, General Manager and Head of IT Dept. (AGM-IT) [as members of the Committee]. An expert from outside will be invited, if need be.

The National Housing Bank (NHB), vide its Policy Circular NHB(ND)/DRS/Policy Circular No.92/2018-19 dated February 05, 2019 issued Guidelines on reporting and monitoring of Frauds in Housing Finance Companies. Your Company has taken steps to comply with the requirements of the applicable provisions of the above Guidelines.

b) IRDA Compliance

The Company is registered with IRDAI for carrying on the Insurance Agency Business for life and has complied with the applicable requirments under Insurance Regulatory and Development Act, 1999 and IRDAI (Registration of Corporate Agent) Regulations 2015, as amended from time to time.

c) Other Compliances

(i) The Company, on April 04, 2018, had obtained the Legal Entity Identifier No.335800EJ9Y3XDP5ZDH81 as required under the RBI Circular -No.RBI/2017-18/82 - DBR. No.BP.92/21.04.048/2017-18 dated November 02, 2017 and as advised by NHB. The Registration has been renewed as required on an annual basis.

(ii) As required under Section 215 of the Insolvency and Bankruptcy Code, 2016, the Company has registered itself with National e-governance Services Limited (NeSL) authorized by IBBI obtained registration No.9160743937431514312 and an agreement is executed with NeSL on February 28, 2019.

(iii) As per the ROC letter No. ROCB/Co. No.8699/MSME Notice/2019/3106 dated January 24, 2019 received by the Company and MSME Notification No.S.O. 5621(E) dated November 02, 2018, the Companies registered under the Companies Act, with a turnover of more than ₹500 Crore shall get themselves registered on the Trade Receivables Discounting System (TReDS) platform. The Company has got itself registered on TReDS Platform through Receivables Exchange of India Limited (RXIL) vide registration No.CA0000876.

(iv) As per RBI/2015-16/96 Master Circular No.15/2015-16 on Foreign Investment in India and as per RBI/2017-18/194 A.P (DIR Series) Circular No.30 dated June 07, 2018 on Foreign Investment in India, all types of Companies which have foreign investment are required to report through FIRMS - Reporting in Single Master Form. For the purpose the Company has completed the registration process for Entity User on January 21, 2019 and was issued login credentials. The registration as Business User is in progress.

(v) The Company has complied with all the applicable Regulations of SEBI (LODR) Regulations as amended from time to time and circulars, notifications etc. issued by SEBI.

9. COMPLIANCE UNDER THE COMPANIES ACT, 2013

Your Company has complied with the requirements of the applicable provisions of the Companies Act, 2013 and related Rules during the FY 18-19. In accordance with Sec 134 (3) (a) of the said Act, amended provision, the provisional Annual Return in the prescribed format has been made available on the website of the Company at https://www.canfinhomes.com/pdf/Events/32-AGM/provisionalMGT-7F/2018-19.pdf The extract of Annual Return (MGT-9) is placed as Annexure 8. For more details regarding Compliances, please refer the Secretarial Audit Report (Annexure 2).

10. CAPITAL ADEQUACY

The Capital Adequacy Ratio (CAR) of your Company as at March 31, 2019 was 16.44% (previous year 19.56%). as against the Regulatory benchmark of 12% prescribed by the National Housing Bank (NHB). [This has the impact of Term deposit amounting to ₹25,700.42 Lakh (matured on April 10, 2019) held with Canara Bank which has been reduced for computation of Net owned funds. The Capital to Risk Assets Ratio (CRAR) without considering the aforesaid term deposit would have been 19.24% (Tier I Capital of 17.44%).]

11. DEPRECIATION

Depreciation was calculated on the Written Down Value Method based on useful life, in the manner prescribed in Schedule II to the Companies Act, 2013.

12. DEFERRED TAX ASSET (DTA)

During the year, Deferred Tax Asset (net) of ₹0.77 Crore (previous year ₹12.30 Crore) was considered to the Statement of Profit & Loss, on account of various components of asset & liabilities. The DTA outstanding at the end of the March 2019 was ₹24.00 Crore (previous year ₹23.24 Crore).

13. RECOVERY ACTION UNDER SECURITISATION & RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 (SARFAESI ACT)

During the year, your Company initiated action against 367 defaulting borrowers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ("SARFAESI") Act, 2002 and recovered ₹36.69 Crore (previous year ₹15.50 Crore) from borrowers of Non-Performing accounts. Of this ₹9.27 Crore (previous year ₹6.69 Crore) was recovered by way of sale of assets under SARFAESI. This apart ₹2.59 Crore was recovered in Written off accounts (Previous year ₹1.30 Crore).

14. LISTING OF SECURITIES

The equity shares of the Company are continued to be listed on the BSE Limited (BSE), Mumbai, and the National Stock Exchange of India Ltd. (NSE), Mumbai. The listing fee payable to these Stock Exchanges were paid before the due dates. The non-convertable debentures issued on private placement are listed on National Stock Exchange of India Ltd.

15. HUMAN RESOURCES DEVELOPMENT

The total number of employees of the Company was 792 (592 regular and 200 on contract) as on March 31, 2019 as against 648 (594 regular and 54 on contract) as at the end of the previous year.

To upgrade knowledge/skill of the employees, select employees were deputed for training programmes/ seminars organised by the National Housing Bank and other reputed institutions. During the year, training in credit, information technology, human relations customer service, Grievance redressal, finance, taxation, marketing, fraud prevention and other topics of importance were imparted to employees and executives. Your Company has put in place a series of HR measures including promotions and appropriate reward schemes. Industrial relations in your Company continued to be cordial during the year.

Particulars of Employees:

During FY18-19, your Company had not employed anyone with a remuneration of ₹102 Lakh or more per annum nor had employed for a part of the year with a remuneration of ₹8.5 Lakh or more. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and 2016 are furnished below:

(i) The ratio of the remuneration of Managing Director to the median remuneration of the employees (regular employees) of the Company for the FY18-19 was 3.29: 1 (Non-executive directors and Independent Directors are eligible for sitting fee only).

(ii) The percentage increase in remuneration in the financial year under the head Managing Director was 7.33%, (the remuneration of Managing Director is as per the Service Regulations of Canara Bank in terms of the resolution passed by the members at the General Meeting for appointment in the Company).

The General Manager, Chief Financial Officer and the Company Secretary are employees of the Company and the percentage increase in their remuneration was 7.53%, 9.62% and 1.58 % respectively.

(iii) The percentage increase in the median remuneration of employees in the financial year is 9.32%.

(iv) Apart from 592 permanent employees on the rolls of the Company, there were 200 employees on contract as on March 31, 2019.

(v) Average% increase in remuneration of the employees other than managerial personnel as against that of Managerial remuneration was around 8.36% during the period under review.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

The Company has a Policy on 'Prevention of Sexual Harassment of Women at Workplace' and matters connected therewith or incidental thereto covering all the aspects as contained under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. During FY18-19 no cases of sexual harassment were reported.

During the year "Equal Opportunity Policy" was drafted as per Section 21(1) of Rights of the Persons with Disabilities Act, 2018 and same was approved by the Board in this meeting held on January 23, 2019.

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements under the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 and Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees. The same is made available on the website of the Company. For related link, please refer Annexure 9.

16. TRANSFER OF UNCLAIMED AND UNPAID DIVIDEND/ DEPOSIT AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of section 124 and 125 of the Companies Act, 2013, the amounts (dividend, deposits etc., with interest) that remained unclaimed and unpaid for more than 7 years from the date they first became due for payment, should be transferred to IEPF. As an investor-friendly measure, your Company has been intimating the respective shareholders / depositors / investors to encash their dividend warrant/renew matured deposits or lodge their claim for payment of due, if any, from time to time and claims made are settled. As per the statutory requirements, the details of such amounts are made available on the website of MCA-IEPF as well as on the Company's website. In order to receive prompt payment of dividend, the members/ investors are requested to demat the shares held in physical mode, register bank account particulars, opt for ECS facility, register nomination and intimate change of address, if any, to the Company/ Depository Participants promptly.

a) Unclaimed dividends

As at March 31, 2019, dividends aggregating to ₹163.76 Lakh (previous year ₹152.18 Lakh) relating to dividends declared for the years FY11-12 to FY17-18 (of which ₹30.36 Lakh related to dividend for the year 2018), had not been claimed by shareholders. As an investor friendly measure, your Company has sent reminders to shareholders to lodge their claims and related particulars were provided in the annual reports each year as well as on the website of your Company. The dividend pertaining to 2010-11, which remained unclaimed/unpaid amounting to ₹7.67 Lakh (in respect of 1,966 shareholders), was transferred to IEPF on September 20, 2018, after the settlement of claims received from members in response to the individual reminder letters sent by your Company. The dividend pertaining to 2011-12 remaining unclaimed and unpaid, amounting to ₹10.04 Lakh (in respect of 2,135 shareholders) as on March 31, 2019, would be transferred to IEPF during August 2019 after settlement of the claims received up to the date of completion of seven years i.e. on August 08, 2019.

b) Transfer of shares to IEPF Demat account

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Amendment Rules, 2017 was notified by the Ministry of Corporate Affairs (MCA) on October 13, 2017. As per Rule 6 of the said Rules, the shares, in respect of which dividend amounts have not been paid or claimed for 7 consecutive years, are required to be transferred to 'IEPF demat Account' of IEPF Authority. On verification of records of unclaimed dividend amounts from 2005 to 2011, which have already been transferred to IEPF on lapse of 7 years (during 2012 to 2018 respectively), 7 shareholders had not claimed dividend for consecutive 7 years and their shares 4750 Nos. have been transferred to IEPF demat account within the prescribed period and the details are provided on the website of the Company. For more details please

refer 'General Information to shareholders' in this report. In terms of the above Rules, three reminder letters were sent by the Company to all the shareholders who had not claimed their dividends for a consecutive period of 7 years, informing that their shares will be transferred to IEPF suspense account on the due date, August 8, 2019, if they do not place their claim for unclaimed dividend amounts before the Company. Your Company has provided the related details on its website (Investors page).

c) Unclaimed deposits

As required under Section 125 of the Companies Act, 2013, the unclaimed and unpaid deposits together with interest for the year 2010-11 amounting to ₹5.19 Lakh (previous year ₹10.41 Lakh) that remained unclaimed and unpaid for a period of 7 years were transferred to IEPF during the year under review.

17. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Since your Company is a housing finance Company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Sec 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are not applicable.

Your Directors are pleased to inform that Solar Power systems and power saving lamps have been installed in 16 branches so far as a measure towards conservation of energy. Your Company has installed Solar-UPS in some of its branches.

As a part of Save Green efforts and leverage of technology, a lot of paper work at branches and the Registered Office has been reduced (also refer para 5).

During the year, your Company did not earn any income or incur any expenditure in foreign currency/exchange other than payment of Dividend 2018 to NRIs on repatriation basis to an extent of ₹26.34 Lakh through authorised dealers.

18. DIRECTORS & KEY MANAGERIAL PERSONNEL APPOINTMENTS / RE- APPOINTMENTS

The Board of Directors made the following appointments/ re-appointments based on the recommendations of the Nomination, Remuneration & HR Committee:

(1) Shri Shreekant M Bhandiwad, DGM of Canara Bank was appointed as an additional Director and Whole-time Director (designated as Dy. Managing Director) by the Board w.e.f April 28, 2018, and the same was approved at the Annual General Meeting held on July 18, 2018.

(2) Dr. Yeluri Vijayanand was appointed as an Additional Director (Independent) w.e.f. August 29, 2018 for a tenure of 3 years upto the conclusion of the Annual General Meeting of the Company for the financial year 2020-21.

(3) Shri Shankara Narayanan Subramanian (S Subramanian), General Manager of Canara Bank, was appointed as an Additional Director (Non-executive Promoter) w.e.f. October 06, 2018.

(4) Shri Debashish Mukherjee, Executive Director of Canara Bank was appointed as an Additional Director (Non-executive Promoter) w.e.f. March 12, 2019.

(5) The tenure of Directorship of Shri G Naganathan in the Company will come to an end on the conclusion of the 32nd Annual General meeting of the Company scheduled to be held on July 17, 2019. Considering the knowledge, expertise, role and contributions of Shri G Naganathan, Independent Director, during the journey of growth of the Company over the last 3 years, Nomination Remuneration & HR Committee has proposed for his re-appointment for a further period of three years i.e., upto the conclusion of the Annual General Meeting of the Company for the financial year 2022, in terms of Section 149(10) of the Companies Act, 2013.

(6) The members had approved the appointment of Shri S K Hota as Managing Director of the Company at the 29th AGM held on June 29, 2016 with effect from May 05, 2016 for a tenure of 3 years and subject to further extension in the period of service, if any, by Canara Bank. In this regard, the Bank has permitted extension of the term of deputation of Shri S K Hota, General Manager of the Bank, for a further period of 6 months i.e., till October 10, 2019, as a special case. Hence, the Board has recommended for his re-appointment/extension of tenure as Managing Director for a further period upto October 05, 2019 to the members and for ratification of actions, since May 19, 2019.

The directors had filed their consent(s) and declarations that they are not disqualified to become directors in terms of the provisions of Companies Act, 2013 and related

Rules. The directors have intimated to the Company that they are not holding any shares or taken any loan(s) from the Company. The agenda relating to appointments / re-appointments of Directors are provided in the Notice of the 32nd Annual General Meeting of the Company seeking approval from the members. The particulars relating to the Directors and all other relevant information are provided in the explanatory statement forming part of the said Notice for the information of members.

(7) Smt. Bharati Rao, Director (Non-Executive Independent) was elected as the chairperson of the Board w.e.f. July 19, 2018.

(8) Smt. Shamila M, General Manager of the Company was designated as Key Managerial Personnel (KMP) of the Company w.e.f. April 28, 2018.

Resignation/Vacation of Office

1. The tenure of the Office of Shri K N Prithviraj, the Non-Executive Independent Director and Chairperson of the Board, and that of Shri T V Rao, the Non-Executive Independent Director of the Company were completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018. Hence cessed to be the director of the Company.

2. Shri S A Kadur, Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018. In pursuance of the same, he has tendered his resignation as Director (Non-executive Promoter Director) of the Company and hence cessed to be the director of the Company w.e.f October 01, 2018.

3. Smt. P V Bharathi, Non-executive Promoter Director of the Company has resigned from the Board of the Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.

Retirement by rotation:

In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, and the Articles of Association of the Company, Shri. Shreekant M Bhandiwad, Dy. Managing Director (Whole-time Director), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The particulars relating to Shri. Shreekant M Bhandiwad, Dy. Managing Director are provided in the Report of Directors on Corporate Governance. Your Directors recommend the re-appointment of Shri. Shreekant M Bhandiwad, as a Director, without affecting his tenure and terms and conditions of appointment as Whole-time Director in terms of Article 28 of the Articles of Association of the Company. The agenda relating to re-appointment of Shri Shreekant M Bhandiwad, Dy. Managing Director forms part of the notice convening the ensuing Annual General Meeting and all other relevant information as per SEBI Regulations are also provided in the explanatory statement.

19. MEETINGS OF THE BOARD

During the Financial year 2018-19, ten meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, are made available in the Report of Directors on Corporate Governance forming part of the annual report placed before the members.

Your Company has complied with all the requirements as applicable under Companies Act, 2013 and related rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also HFCs Corporate Governance (NHB) Directions, 2016, in relation to the Board of Directors and the Committees of the Board.

Committees of the Board:

Currently the Board has seven Committees viz. the Audit Committee, the Nomination, Remuneration & HR Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, the Risk Management Committee, the Management Committee and the IT Strategy Committee. The IT Strategy Committee was constituted during FY 19 as per National Housing Bank (NHB) Circular "NHB/ND/DR5/Policy Circular No.90/2017-18" dated June 15, 2018.

A detailed note on the composition of the Board and its Committees and other related particulars are provided in the Report of Directors on Corporate Governance forming part of this Annual Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, and based on the information provided by the Management, the Board of Directors report that:

(a) in the preparation of the annual accounts for the year ended on March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

(b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2019 and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) this being a listed Company, the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors:

The Independent Directors have given declarations to the Company in terms of Section 149(7) and 149(8) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR), 2015.

Code of Conduct:

In terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the FY18-19. As required under Schedule V (D) of the said Regulations, a declaration signed by the Managing Director & Chief Executive Officer of the Company stating that the members of the Board and the Senior Management Personnel have affirmed compliance of their respective Codes of Conduct, is an annexure to Corporate Goverance Report.

21. NOMINATION REMUNERATION AND HR COMMITTEE (NRC) POLICY

Your Company has constituted a Nomination Remuneration and HR Committee (NRC) of the Board in terms of Section 178 of the Act, Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Para 3(II) of NHB Corporate Governance (National Housing Bank) Directions, 2016. This Committee identifies persons who are qualified to become Directors of the Company. The appointment, renewal, reappointment, re-categorisation and/or removal of the Directors so identified, including extension or continuation of the term of appointment, will be recommended by the NRC to the Board. This Committee has also laid down the criteria to identify persons who may be appointed to the senior management of the Company. The NRC has formulated the criteria for determining qualifications, positive attributes and independence of a Director, carrying out evaluation of every Director's performance, performance of the Board and that of the Committees. The NRC Policy of the Company covering all the above aspects is made available on the official website of the Company at https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-120419.pdf, in terms of Section 134(3) of the Companies Act, 2013. For web link please refer Annexure 9. The Board ensures the annual evaluation of the performance of the Board, its Committees and of its individual directors through the meeting of independent directors, the NRC and evaluation by each of the directors independently.

22. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Your Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in promoting education including special education and employment in enhancing vocation skills especially among children. The other areas of focus are women empowerment by promoting gender equality, setting up old age homes, livelihood enhancement projects for the elderly & the differently abled, healthcare sector, Conservation of Solar energy and Ecological balance. During the year the Company also worked in the environmental sustainability by planting trees/saplings.

As a well thought out strategy, all CSR projects of the Company are executed through our own branches with a view to inculcate a sense of social responsibility amongst the staff. The total amount/ budget under CSR for the FY 2018-19 was ₹10.51 Crore, (including previous year ₹3.30 Crore), out of which total amount spent under the CSR activities is ₹6.06 Crore. The unspent amount of ₹4.45 Crore has already been sanctioned during the year, however disbursement will be based on progress in the respective projects. A summary of CSR details as on March 31, 2019 is given below:

Sl No.	Activities undertaken	No. of Beneficiaries	Amount in Rupees
1	Construction/ repair & renovation of Schools/ Hostels	7	1,67,98,700
2	Desks & benches/ Tables/ Almirah/ Green Board/ Chairs etc.	32	88,55,728
3	Drinking water facility/ supply of other articles of necessity etc.	10	9,55,956
4	Nali kali round tables/ chairs/ desk & benches/ drinking water facility etc.	13	52,60,763
5	Electrical & Electronic Items to schools	1	72,100
6	Toilet Facility in schools	1	1,18,200
7	Scholarship	3	5,80,052
8	Equipment to hospitals	7	1,48,67,032
9	Equipment to old age home	4	11,07,251
10	Equipment to school	1	3,35,000
11	Eradicating Hunger	3	71,53,333
12	School Bags/Stationery items etc.	2	2,25,278
13	Solar Lighting System	3	24,88,580
14	Environmental Sustainability	1	11,92,270
15	Tree planting under Environmental protection/sustainability/saplings with tree guards/pots to the customers.	2	6,14,240
	Total	**90**	**6,06,24,483**

The Annual Report on CSR activities including brief contents are provided as Annexure 5 to this report.

23. RISK MANAGEMENT POLICY

Your Company has constituted a Risk Management Committee with three directors and a senior executive of the Company. In terms of Section 134(3)(n) of the Act, your directors wish to state that your Company has adhered to the Risk Management Policy. The above policy was reviewed during the year. For weblink please refer Annexure 9.

24. AUDIT AND INTERNAL CONTROL

Your Company strengthened existing internal control systems for loan reviews at periodical intervals and introduced measures for minimising operational risks commensurate with the nature of its business and size of operations. Further, your Company has reviewed delegation of authorities and streamlined standard operating procedures for all areas of its business/ operations/ functions, strengthened the Offsite Transaction Monitoring System (OTMS) to track transactions/ early-warning signals across all branches by introducing innovative monitoring tools.

The National Housing Bank conducts inspection of your Company on an annual basis. During the year, the NHB conducted regular inspection of your Company in August/ September 2018 for the position as at March 31, 2018. The compliance on the observations were submitted within the prescribed time to the NHB, which were reviewed by the Audit Committee and the Board.

Your Company has also put in place a well- defined policy on Risk Based Internal Audit (RBIA) and as per the said policy, all the 166 branches due for audit, were audited in the FY18-19.

Apart from the RBIA, considering the volume of business, branches are also subjected to quarterly/ half yearly internal audit by empanelled audit firms. The Audit Committee reviewed the audit reports/remarks/ observations and replies/ compliances including the compliance of KYC norms.

Management Audit by Canara Bank was conducted during January, 2019 for the period, January 2017 to December 2018.

25. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

As required under section 204 of the Companies Act, 2013 and Rules thereof, the Board appointed M/s Kedarnath & Associates, Practising Company Secretaries, for conducting the 'Secretarial Audit' of the Company and for submission of the Annual Compliance Report for the financial year 2018-19.

The Secretarial Audit for FY18-19 was conducted as required u/s.204 of the Companies Act 2013, Regulation 24A of SEBI(LODR) Regulation 2015 and SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, by S. Kedarnath, FCS, Practising Company Secretary and his team. In terms of Section 204(3) of the Act, your Directors inform that there is a remark in the report i.e. "NHB vide its letter NHB(ND)/DRS/APPEAL-1/17/A-744/2019 dated January 17, 2019 has imposed a penalty of ₹ 5,900 (inclusive of GST@18%) for alleged contravention of section 32 of the NHB Act, 1987 and the Fair Practice Code issued by NHB, for which the Company has sent a reply and remitted the amount under protest". Other than above the report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report issued by the Practising Company Secretaries is enclosed to the Report of Directors (Annexure 2) in terms of Section 134(3)(f) read with Section 204(1) of the Act.

In addition to the Secretarial Audit Report, Secretarial Compliance report has also been issued by the PCS as per the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 02, 2019, and the said report has been submitted to the Stock Exchanges.

Secretarial Standards

The Company complies with the mandatory Secretarial Standards i.e. SS-1 and SS-2 issued by the Institute of Company Secretaries of India and has referred to Secretarial Standards SS-3 and SS-4 for good governance.

Loans, Guarantees or Investments:

There are no particulars of loans, guarantees or investments made during the year in terms of Section 186(1) and 186(2) of the Act requiring disclosure to be made in the report of Directors as required under Section 134(3)(g) of the Act. In terms of Section 186(11)(a) the requirement relating to the disclosure is not applicable to a loan made, guarantee given or security provided by a housing finance Company.

Related Party Transactions:

The particulars of contracts or arrangements with the 'Related Parties' referred to in sub-section (1) of Section 188 of the Act are furnished in Note No.42 of the Notes forming part of the financial statements for FY18-19, forming a part of the Annual Report. The particulars of Related Party Transactions as required u/s sec 134(3)(h) in the prescribed format is attached to this Report as Annexure 7.

26. STATUTORY AUDITORS

Pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. Varma & Varma, Chartered Accountants (Firm Reg.No.004532S) were appointed by the members as the Statutory Auditors of the Company to hold office from the conclusion of this 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting, subject to ratification by members every year, as applicable, at such remuneration and out-of-pocket expenses, as may be decided by the Board of Directors of the Company. Pursuant to the provisions of Section 143(8) of the Companies Act, 2013 and rules made thereunder, the Members had authorised the Board of Directors to appoint any person(s) qualified for appointment as auditor(s) of the Company under Section 141 and all other applicable provisions of the Companies Act, 2013 as Branch Auditors for audit of any of the Branch of the Company, present and future, from the conclusion of this Annual General Meeting until the conclusion of the 35th Annual General Meeting, subject to ratification by members every year, as applicable, on such terms and conditions, including remuneration and out-of pocket expenses, as may be decided by the Board of Directors of the Company.

The requirement of placing the matter relating to such appointment for ratification by members at every annual general meeting has been dispensed with due to omission

of the first proviso to Section 139(1) by the Companies (Amendment) Act, 2017 effective from May 07, 2018 as per the Notification issued by Ministry of Corporate Affairs, Govt. of India [File No.1/1/2018-CL.I dated May 07, 2018].

In view of the above, M/s Varma & Varma, Chartered Accountants (Firm Reg.No.004532S) appointed by the members at the 30th Annual General Meeting for a tenure upto the conclusion of the 35th Annual General Meeting will continue as the Statutory Auditors of the Company, at such remuneration and out-of pocket expenses, as may be decided by the Board of Directors of the Company.

The Statutory Auditors' Report for the FY2018-19 does not contain any qualification, reservation or adverse remark.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report.

28. CORPORATE GOVERNANCE

As required under the Companies Act, 2013, Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the 'Report of Directors on Corporate Governance' for the year FY18-19 is placed in this Annual Report.

The said Report covers in detail the Corporate Governance Philosophy of the Company, Board Diversity, Directors appointment and remuneration, declaration by Independent Directors, Board evaluation, familiarisation programme, vigil mechanism etc. The Auditors Certificate on Corporate Governance is provided with this report as Annexure 1.

Business Responsibility Report:

The SEBI (LODR) Regulations, 2015, mandates inclusion of Business Responsibility Report (BRR) in the prescribed format, as a part of the Annual Report for top 500 listed entities based on the market capitalisation. In compliance with the said Regulations, the BRR is provided as a part of this Report as Annexure 6.

Board Evaluation:

In terms of Regulation 17(10) of the SEBI (LODR) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2017/004 dated January 05, 2017, your Company has put in place the 'Board and Director's Evaluation Policy' laying down a framework for evaluation of the Board, its Committees and of the individual directors with defined attributes for evaluation. The Board has evaluated the performance of the independent directors including their independence criteria as specified in the said regulations and their independence from the management. The directors who were subject to evaluation did not participate in their own evaluation. The results of the evaluation exercise will be shared with the Board in subsequent Board Meeting(s).

29. SAVE GREEN EFFORTS & RESPONSIBILITY TOWARDS SOCIETY

In recognition and support to the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India, your Company is sending AGM notices, annual reports, correspondence with the stakeholders etc. to the respective e-mail IDs of stakeholders. To facilitate paperless banking, initiatives taken by your Company include ECS / NACH facility for repayment of loans, streamlining the systems and procedures for reporting by the branches and at the Registered Office through Integrated Business Suite (IBS), networking of branches with the Registered Office, harnessing solar energy for lighting and computer operations in its 16 branches and the like. The usage of paper is minimised.

As in the previous years, we continue to publish only the statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report, Annual General Meeting Notices, and such other notices are being sent to all members whose e-mail address are registered with the Company/ Depository participants. For members who have not registered their e-mail address and to those who specifically request for physical copies, the same are sent in the permitted mode.

Through our CSR activities in the field of health care, education and empowerment of the downtrodden, we have strived to improve the lives of lakhs of our country men, women and children. We have sanctioned ₹10.60 Crore for 103 projects and spent ₹6.06 Crore towards the funding of life saving medical equipment and renovation work in about 8 hospitals, supply of books,

desks, almirahs, fans, lights water purifiers and other necessary materials as well as repair work in about 68 schools across the country. Scholarships have been provided to meritorious, poor students. The funds were also utilized for improving the lives of inmates in many old age homes, rehabilitation centres for the physically and intellectually disabled. CFHL also contributed to the Akshay Patra Foundation mid-day meal to 6150 children in Mangalagiri for 6 months.

Saplings have been provided to our customers in all parts of the country. Cotton bags have also been procured for distribution to our borrowers and public to discourage the use of plastic.

30. OUTLOOK FOR 2019-20

The slew of measures announced by the Union Government in the Budget to boost housing, particularly PMAY loans, will be a key factor in revival of the real estate market. Your Company will intensify its lending under the Affordable Housing Loan Segment.

We will continue our market expansion in potential locations and have plans to open about 30 new branches during the current fiscal. We have also set the wheels in motion for the distribution of general insurance products through corporate agencies to provide insurance products to secure the health and assets of our customers.

Your Company is targeting a loan book size of ₹23,000 Crore by March 2020. Lending to the salaried class will continue to be our focus. However, with the rising cost of funds, expectations of borrowers for loans at lesser rates, intense competition in the market, etc., margins are expected to remain under pressure.

Your Company would continue its endeavour for growth with quality. Your Company will safeguard and maintain the high standards followed till date, despite the innumerable hurdles that are inevitable in the discharge of its functions.

31. ACKNOWLEDGEMENTS

Your Directors would like to thank Canara Bank, the promoter, for their continuous support.

Your Directors would like to acknowledge the role of all its stakeholders viz., shareholders, debenture holders, CP holders, depositors, bankers, lenders, borrowers, merchant bankers, insurance partners, debenture trustees and all others for their continuous support to your Company and the confidence and faith that they have always reposed in your Company.

Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including National Housing Bank (NHB), Insurance Regulatory and Development Authority of India (IRDAI), Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Karnataka, the Stock Exchanges and the NSDL and CDSL.

Your Directors thank the Rating Agencies, viz. ICRA, CARE, India Ratings & Research Ltd., (FITCH), the Registrars & Share Transfer Agents, Debenture Trustees and Trustees of public deposits of your Company, Government(s), local/ statutory authorities, and all others for their whole-hearted support during the year and look forward to their continued support in the years ahead.

Your Directors value the professionalism of all the employees who have proved themselves in a challenging environment and whose efforts have stood the Company in good stead and taken it to present level.

For and on behalf of the Board of Directors

Sd/-
Bharati Rao
Chairperson

Place: Bengaluru
Date : May 22, 2019

Annexure 1

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Can Fin Homes Ltd.,

1. We, Varma and Varma, Chartered Accountants, the Statutory Auditors of Can Fin Homes Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by M/s Can Fin Homes Limited for the year ended March 31, 2019 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance of the conditions of the corporate governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

4. We have examined the books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the corporate governance requirements by the company.

5. We conducted our examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2019.

8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Varma & Varma**
Chartered Accountants
Firm Reg. No. 004532S

Sd/-
R Kesavadas
Partner
Membership No. 23862
UDIN: 19023862AAAAAZ7854

Place: Bengaluru
Date: May 22, 2019

Annexure 2

SECRETARIAL AUDIT REPORT

[Pursuant to section204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]
(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019)

To,
The Members,
CAN FIN HOMES LIMITED,
Bengaluru- 560004

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CAN FIN HOMES LIMITED (CIN: L85110KA1987PLC008699) (hereinafter called 'the Company') having its Registered Office at No 29/1, Sir M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi, Bengaluru 560004 Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

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 covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, 'according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. There were no occasions needing compliance under the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed there under; hence not applicable.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time.
   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015 as amended till date;
   ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 2015 as to the requirements of providing necessary information on the Company's website and other prescribed disclosures;
   iii. There were no occasions needing compliance under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 as amended till date; hence not applicable.
   iv. The Company has not issued any securities under ESOP/ESPS during the year under the provisions of the Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014;
   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015 as amended till date;
   vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 as amended till date to the extent applicable.
   vii. The Company has not applied for delisting of Equity Shares in any stock exchanges under the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2015 as amended till date; and hence not applicable.
   viii. The Company has not bought back any securities during the financial year under the provisions of The Securities and Exchange Board of India. (Buyback of Securities) Regulations, 2013 as amended till date; and hence not applicable
6. We further report that based on the information received and records maintained, in our opinion the Company has, complied with the provisions of:

1. The National Housing Bank Act, 1987.
2. The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.
3. Housing Finance Companies issuance of non-convertible Debentures on private placement basis (NHB), Directions 2014.
4. Housing Finance Companies — Auditor's Report (National Housing Bank) Directions, 2016.
5. Housing Finance Companies — Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016.
6. Housing Finance Companies - Corporate Governance (National Housing Bank), Directions, 2016. Guidelines and circulars issued under the National Housing Bank Act, 1987 from time to time.
7. FIMMDA operational Guidelines (RBI) for Commercial Papers.
8. Guidelines on Fair Practices Code for HFCs issued by NHB.

We have also examined compliance with the applicable clauses of:

(i). Secretarial Standards SS-1 and SS-2 issued by The Institute of Companies Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above in the manners stated therein;

7. We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in accordance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through by majority and minutes of meetings are self explanatory with respect to recording dissenting members' views, if any.

We further report that the Company has developed and implemented adequate systems and processes commensurate with its size and operations to effectively monitor and ensure compliance with applicable laws, rules, regulations and guidelines and also the process and procedure in place to assist in minimizing exposure to risk that threaten the existence of the Company.

8. We further report that during financial year under report:

a) The NHB vide its letter NHB(ND)/DRS/APPEAL-1/17/A-744/2019 dated January 17, 2019 imposed a penalty of ₹ 5,900 (inclusive of GST@18%) for alleged contravention of section 32 of the NHB Act, 1987 and the Fair Practice Code issued by NHB, for which the Company has sent a reply and remitted the amount under protest.

For **S Kedarnath & Associates**
Company Secretaries

Sd/-
S. Kedarnath
Company Secretary
C P No. 4422

Place: Bengaluru
Date: May 04, 2019

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

The Members,
CAN FIN HOMES LIMITED,
Bengaluru- 560004

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company including compliances of the laws at the branch offices.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the Company.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **S Kedarnath & Associates**
Company Secretaries

Sd/-
S. Kedarnath
Company Secretary
C P No. 4422

Place: Bengaluru
Date: May 04, 2019

Annexure 3

CAN FIN HOMES LTD (CFHL)

DIVIDEND DISTRIBUTION POLICY

[Disclosure as per reg.43A of SEBI(LODR)Regulations, 2015]

1. PREAMBLE AND BACKGROUND

1.1. Dividend is profits earned by the Company and divided amongst the shareholders in proportion to the amount of paid up shares held by them. Simply stated it is a return on investment made by the shareholders.

1.2. The term 'dividend' has been defined under Section 2(35) of the Companies Act, 2013. The term "Dividend" includes any interim dividend. It is an inclusive and not an exhaustive definition. According to the generally accepted definition, "dividend" means the profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.

1.3. A dividend is not regarded as expenditure; rather, it is considered a distribution of assets among shareholders. A Company can retain its profit for the purpose of re- investment in the business operations (known as retained earnings), or it can distribute the profit among its shareholders in the form of dividends.

1.4. Dividends are usually payable for a financial year after the final accounts are ready and the amount of distributable profits is available. Dividend for a financial year of the Company (which is called 'final dividend') are payable only if it is declared by the Company at its Annual General Meeting on the recommendation of the Board of directors. Sometimes dividends are also paid by the Board of directors between two Annual General Meetings without declaring them at an Annual General Meeting (which is called 'interim dividend') if so authorized by its Articles of association.

1.5. Generally, dividend is paid by a Company to its shareholders on a particular date (book closure date) either out of profits or out of reserves / accumulated profits.

1.6. As Can Fin Homes Limited (hereinafter referred to as "Company") is a Company incorporated and registered in India under the Companies Act, 1956 and is listed with BSE Limited (formerly Bombay Stock Exchange Limited) and National Stock Exchange Limited, is registered with National Housing Bank as a Housing Finance Company and hence is governed by the rules and regulations related to declaration and payment of dividend.

1.7. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 under regulation 43A has specified the formulation of a dividend distribution policy for the top 500 listed entities based on market capitalization which shall be disclosed in their Annual Reports and on their websites. In view of that it is recommended on part of Company to formulate the Dividend Distribution Policy of the Company hereinafter referred to as "Can Fin Homes Ltd Dividend Distribution Policy" ("CFHLDDP").

2. OBJECTIVES

2.1. To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.

2.2. To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.

2.3. To create a transparent and methodological Dividend policy, adherence to which will be required before declaring dividends.

2.4. The Company will review this Policy annually and make necessary changes if deemed necessary or as and when there is regulatory changes, new regulations, directions, guidelines issued by the regulatory/government authorities from time to time.

3. SCOPE, LAW AND REGULATION OF DIVIDEND

3.1. The declaration and payment of dividend are governed by various provisions of the Companies Act, 2013 and most importantly chapter - VIII from section 123 to 127 deals with "Declaration and payment of dividend"; The Companies (Declaration and Payment of Dividend) Rules, 2014 ; Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001; SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015; section 27 of Security Contract Regulation Act, 1956; Income Tax Act, 1961; Secretarial Standards on Dividend (SS-3); NHB Guidelines/ Circulars/ Notifications, FEMA 1999, SEBI Guidelines/Circulars etc. as amended from time to time and to the extent applicable.

3.2. The Company will adhere to the provisions of Law as per Clause 3.1 above, as amended from time to time and to the extent applicable.

3.3. The policy set out herein relate to Equity Shares only and not applicable to preference shares. However, Board reserves the right to modify this policy to accommodate the preference shares or make a separate policy for preference shares in accordance with applicable provisions of Law as per 3.1 above as and when it deems fit and necessary.

3.4. The policy set out herein generally relates to final Dividend, certain principles also apply to Interim Dividend declared by the Board of Directors, as stated hereinafter.

3.5. **Trading Window:** In terms of regulation 2(1) (n) of SEBI (Prohibition of Insider Trading), 2015, declaration of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information" hence Company shall comply with norms / compliances of trading window read with Company's insider Trading Policy viz. Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to regulation 9 of SEBI (Prohibition of Insider Trading), 2015.

3.6. **Secretarial Standards:** The Company will comply with Secretarial Standards as and when the secretarial standards are notified enforced by the Ministry of Corporate Affairs.

3.7. **Right / Title to dividends:** It shall be governed by section 27 of Security Contract Regulation Act, 1956 and other applicable laws, rules and regulation as amended and enforced from time to time.

3.8. The management will discuss and recommend to the Board of Directors on dividend considering the circumstances or factors but not limited to the following:

a) Future expansion plans

b) Profit earned during the current financial year

c) Overall financial conditions

d) Cost of raising funds from alternative sources

e) Applicable taxes (including dividend distribution tax)

f) Money market conditions

g) Macro-economic situations, etc.

4. GENERAL TERMS

4.1. **Basis of recommending dividend:** The dividends are declared at the Annual General Meeting of the Company, based on recommendations of the Board of Directors (Board).

4.2. **Free Reserves:** The word "Free reserves" has been defined by Section 2(43) of Companies Act, 2013 to mean such reserves which, as per the latest audited balance sheet of a Company, are available for distribution as dividend. However the following shall not be treated as free reserves: any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

Clause 2(1)(l) of the NHB Directions 2010 defines "Free reserves" to include the balance in the share premium account, capital and debenture redemption reserves and any other reserve shown or published in the balance sheet of the Company and created through an allocation of profits, not being (1) a reserve created for repayment of any future liability or for depreciation in assets or for bad debt or (2) a reserve created by revaluation of the assets of the Company;

4.3. **Bonus Shares:** The Bonus shares shall not be issued in lieu of dividend in terms of section 63(3) of the Companies Act, 2013.

4.4. **Payment of dividend proportionately:** In terms of section 51 companies are permitted to pay dividends in proportion to the amount paid-up on each share when all shares are not uniformly paid up, i.e. pro rata (in proportion or proportionately, according to a certain rate). The Board of Directors of a Company may decide to pay dividends on pro-rata basis if all the equity shares of the Company are not equally paid- up. The permission given by this section is, however, conditional upon the Company's articles of association expressly authorizing the Company in this regard.

4.5. **Interim dividend:** The Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared. In case the Company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the Company during the immediately preceding three financial years in terms of section 123 (3) of Companies Act, 2013.

4.6. **Final Dividend:** It is declared by members at an Annual General Meeting as "Ordinary Business" in terms of section 102(2)(ii) of the Companies Act, 2013 only if recommended by the Board of Directors and at a rate not more than what is recommended by the directors in accordance with the articles of association of a Company.

4.7. **Powers to SEBI:** As our Company is listed, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend. In any other case, the powers remain vested in Central Government.

4.8. **No buy back if default in payment of dividend:** In accordance with Section 70, a Company cannot buy its own shares if apart from other things provided in the section; it makes default in payment of dividend to any shareholder.

4.9. **Debenture Redemption Reserve:** Where debentures are issued by a Company, the Company shall create a debenture redemption reserve account out of the profits of the Company available for payment of dividend and the amount credited to such account shall not be utilized by the Company except for the redemption of debentures in terms of section 71 (4) of the Companies Act, 2013. Since the Company is a Housing Finance Company registered with National Housing Bank, there is no requirement of creation of DRR for issues under private placement. However, the DRR shall be created for public issue of Debentures.

4.10. **Dividend Payout Ratio:** The dividend payout ratio measures the percentage of Net Profit (PAT) that is distributed to shareholders in the form of dividends during the year. In other words, this ratio shows the portion of profits, the Company decides to keep to fund operations and the portion of profits that is given to its shareholders. It is calculated by dividing the proposed dividend (excluding taxes on dividend) by the Profit after tax and depreciation.

5. PARAMETERS FOR DECLARATION OF DIVIDEND

5.1. **Depreciation must be provided:** No dividend shall be declared or paid by the Company for any financial year unless it is paid

- Out of profits for that year arrived at after providing depreciation in accordance with provisions of Section123(2) of the Companies Act or
- Out of accumulated profits of the Company for any previous financial year or years arrived at after providing depreciation and remaining undistributed or
- Out of both above or
- Out of money provided by the central government or a state government for payment of dividend in pursuance of a guarantee given by that government

5.2. **Depreciation as per schedule-II:** Depreciation, as required under Section 123(1) of the Companies Act has to be provided in accordance with the provisions of Schedule II to the Act.

5.3. **Transfer to Reserves:** A Company may, before declaration of any dividend transfer such percentage of its profits for that financial year as it may consider appropriate to reserves in terms of the first proviso of Section 123(1)(b). The Board of directors is given freedom to decide the percentage of transfer of profits to reserves which includes Special Reserve, Additional Reserve, General Reserve etc. before declaring a dividend.

5.4. **Dividend from Free Reserves:** In terms of third proviso of Section 123(1)(b) of the Companies Act, 2013 no dividend shall be declared or paid by a Company from its reserves other than free reserves.

5.5. **Amount of Dividend:** The management upon compliance of the above clause no. 5.1 to 5.4 may recommend to the Board of Directors the dividend at a rate (inclusive of the dividend distribution tax or any other applicable taxes on dividend) of any of the following:

a) Maximum of Dividend payout ratio of 20% (excluding taxes).

b) Minimum of 20% of the paid up Equity share capital.

While recommending such dividend the management will also take into account dividends declared during the preceding 3 years.

Not with-standing the above, the Board reserves the right not to declare dividend or decide any rate of dividend, for a particular year owing to certain regulatory restrictions if any, during the year, capital conservation prudence, or other exigencies which shall be stated by the Board.

5.6. **Retained Earnings Utilization:** The retained earnings i.e., profit after tax, transfer to the free reserves and dividend (inclusive of tax), will be utilized by the Company for future expansion plans, deployment for advances, Capital adequacy etc.

5.7. **Classes of Shares:** the Company has presently only Equity Shares and the Dividend distribution policy is specifically formed for this class of shares.

6. PAYMENT OF DIVIDEND

6.1. **Time limit for deposit of dividend:** The amount of the dividend, including interim dividend, must be deposited in a scheduled bank in a separate account within five (5) days from the date of declaration of such dividend. Dividend once declared by the shareholders becomes a debt and payable unlike in the case of interim dividend. But the restriction to deposit within five (5) days of declaration even the interim also ensures that the Board cannot go back on the commitment made by its declaration in terms of section 123(4).

6.2. **Time limit for payment of dividend:** The dividend has to be paid within 30 days from the date of declaration or such other period as is applicable by law. The dividend settlement date will be decided by the Managing Director/ whole-time Director.

6.3. **Requirement related to declaration and payment of Dividend under SEBI (LODR) Regulations, 2015:** As our Company's securities are listed on BSE and NSE, an intimation of at least 2 working days (excluding the date of the intimation and date of the meeting of the Board) is required to be given to aforesaid stock exchange(s) in terms of Regulations 29(1) and (2) of SEBI LODR, prior to the meeting of the Board at which the recommendation of final dividend is to be considered. In terms of Regulation 30, the outcome of the meeting shall be intimated, online, immediately to the above Stock Exchanges within 30 minutes of the closure of the board meeting.

In terms of Regulation 43(1) of the SEBI LODR, the Company shall declare and disclose the dividend on per share basis only.

In terms of Regulation 42(3) of the SEBI LODR, the Company shall recommend or declare all dividend at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

6.4. **Dividend to be paid to Registered Shareholders:** In terms of Section 123(5) of the Companies Act, no dividend shall be paid by a Company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

6.5. **Mode of payment of dividend:** Any dividend payable in cash shall be paid by using any of the electronic mode of payment facility approved by the Reserve Bank of India. Provided that where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued and the dividend amount exceeds ₹1500/, the 'payable-at-par' warrants or cheques shall be sent by speed post.

For the above purpose, the Company, through its Registrar & Share Transfer Agent (RTA) shall maintain bank details of their investors [(a) for investors holding securities in dematerialized mode, by seeking the same from the depositories. (b) for investors holding securities in physical mode, by updating bank details of the investors at their end]. The Company/RTA shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

6.6. **Payment of Dividend Distribution Tax (DDT):** Dividend distribution tax will be paid as per the applicable laws.

6.7. **Prohibition on declaration and payment of dividend:** A Company which fails to comply with the provisions of sections 73 (Prohibition on acceptance of deposits from public) and Section 74 (Repayment of deposits, etc., accepted before commencement of this Act) of the Companies Act, 2013 shall not, so long as such failure/ default continues, declare any dividend on its equity shares in terms of Section 123(6).

6.8. **Right of dividend** to be held in abeyance pending registration of transfer shares shall be governed in terms of section 126(a) as amended from time to time.

6.9. **Determine record date / book closure:** The Company shall determine the date of closure of the register of members and the share transfer register of the Company as per requirements of Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI LODR. The Company shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. The date of commencement of closure of the transfer books should not be on a day following a holiday. The dates so fixed should also not clash with the clearance programme in the stock exchanges.

6.10. **Publishing of Book Closure Notice:** The Company shall give atleast a 7 days prior notice by advertisement, stating the dates of closure of its transfer books/record date, at least once in a vernacular newspaper in the vernacular language having a vide circulation in the district in which the registered office of the Company is situated and at least once in English language in an English newspaper circulating in the district and has wide circulation in the place where the registered office is located and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

6.11. **Time gap between two book closures:** The time gap between two book closure and record date would be at least 30 days in terms of Regulation 42(4) of SEBI LODR.

6.12. **Initial validity of the Dividend warrant should be for three months:** A cheque or warrant for payment of Dividend should be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it should be revalidated for not more than three months or a fresh instrument should be issued which should have a validity of three months.

6.13. **Revalidation within what period:** The Company should revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order or electronic transfer of funds, in lieu thereof, within 30 days of the receipt of a request for revalidation.

6.14. **Duplicate Dividend warrant:** A duplicate Dividend warrant should be issued only after the expiry of the validity of the Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the Company, a duplicate warrant should be issued only after obtaining requisite indemnity/ declaration from the Shareholder. Where the amount of dividend warrant exceeds a sum of ₹5000/- the indemnity/ declaration shall be obtained from the shareholder on a non- judicial stamp paper of ₹100/.

6.15. **Re-issue of Dividend Warrant:** In the case of defaced, torn or decrepit or error crept-in while printing, if any, on the Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the Company of such defaced, torn, decrepit warrant or the warrant with printing error.

6.16. **Register of Duplicate Dividend Warrants:** Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the person to whom the Dividend warrant is issued, the number and amount of the Dividend warrant in lieu of which the duplicate warrant is issued and the date of issue of such duplicate warrant.

6.17. **Revocation of Dividend:** Dividend, once declared, becomes a debt and should not be revoked.

7. DECLARATION OF DIVIDEND IN THE EVENT OF INADEQUACY OR ABSENCE OF PROFITS IN ANY YEAR

7.1. **Declaration of dividend out of accumulated profits:** In terms of second proviso of 123 (1) of the Companies Act, 2013 where, owing to inadequacy or absence of profits in any financial year, any Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the

reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

7.2. In terms of Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014 as amended from time to time, in the event of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the fulfillment of the following conditions, namely:—

(1) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

Provided that this sub-rule shall not apply to a Company, which has not declared any dividend in each of the three preceding financial year.

(2) The total amount to be drawn from such accumulated profits shall not exceed one- tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.

(3) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.

(4) The balance of reserves after such withdrawal shall not fall below fifteen per cent of its paid up share capital as appearing in the latest audited financial statement.

(5) No Company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against profit of the Company of the current year the loss or depreciation, whichever is less, in previous years is set off against the profit of the Company for the year for which dividend is declared or paid.

8. TRANSFER OF UNPAID OR UNCLAIMED DIVIDEND TO SPECIAL ACCOUNT

8.1. **Transfer of unpaid dividend to Special Account:** If dividend has not been paid or claimed within the 30 days from the date of its declaration, the Company is required to transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". Such transfer shall be made within 7 days from the date of expiry of the said period of 30 days in terms of section 124 of the Act.

8.2. **Failure to transfer attracts interest:** If the Company fails to transfer dividend to special account, it shall be liable to pay interest @12% and such interest has to be the amount remaining unpaid in terms of section 124(3) of Act.

8.3. **Display of details in the web site:** In terms of section 124(2) of the Act, the Company shall upload the details of unpaid and unclaimed dividend in the Company website in PDF format, year wise, with search facility must be easily accessible free of charge and facilitate easy printing. The process of uploading on the website shall be completed within 90 days from the date of transfer of the amount to special account as per Clause 8.1 above.

8.4. **Claimant can apply:** In case of any unclaimed/ unpaid dividends in respect of the financial years mentioned in the website, the claimant may apply for payment in terms of section 124(4) of Act to the Company or its Registrar and Share Transfer Agent.

9. UNPAID OR UNCLAIMED DIVIDEND TO BE TRANSFERRED TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

9.1. **Transfer to IEPF after 7 years:** Any money transferred to the unpaid dividend account of a Company in pursuance of section 124 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established (IEPF) u/s 125(1) of Act and the Company shall file a statement in "Form DIV-5" to the Authority constituted under the Act to administer the fund and such authority shall issue a receipt to the Company as evidence of such transfer. [Section 124(5)]

9.2. **Shares shall also be transferred to IEPF:** In terms of section 124(6) of the Act, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred in the name of IEPF alongwith a statement containing such details as may be prescribed. If any person who has a claim on such shares can lodge his claim with Investor Education Protection Fund in such manner as may be prescribed.

9.3. **Manner in which unclaimed dividend to be transferred to IEPF:** The Company shall deposit the unclaimed dividend amount after lapse of 7 years to IEPF within the prescribed period in the prescribed mode maintain the particulars of unpaid dividend transferred to IEPF for a period of 8 years from the date of such transfer.

In terms of Regulation 43(2) of SEBI LODR, the listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

9.4. **Display of details in the web site:** The Company shall upload the details of unpaid and unclaimed dividend transferred to IEPF in the Company's website in PDF format, year wise.

9.5. **ROC filing after 7 years:** The Company shall file with the ROC one copy of the Challan evidencing deposit of the amount to the Fund in Form -1 in terms of Rule 3 (ii) (b) of Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001, as amended from time to time.

10. DISCLOSURE

10.1. The Balance Sheet of the Company should disclose under the head 'current liabilities and provisions', the amount lying in the Unpaid Dividend Account together with interest accrued thereon, if any.

10.2. The Annual Report of the Company should disclose the total amount lying in the Unpaid Dividend Account of the Company in respect of the last seven years. The amount of Dividend, if any, transferred by the Company to the Investor Education and Protection Fund during the year should also be disclosed.

10.3. The amounts lying in the Unpaid Dividend Account and the amounts transferred to the Investor Education and Protection Fund should be disclosed in the Directors' Report.

10.4. In terms of SEBI LODR (Regulation 33 relating to disclosure in financial results) the Company shall disclose the following in respect of dividends paid or recommended for the year, including interim dividends:

(i) amount of dividend distributed or proposed for distribution per share; the amounts in respect of different classes of shares shall be distinguished and the nominal values of shares shall also be indicated;

(ii) where dividend is paid or proposed to be paid pro-rata for shares allotted during the year, the date of allotment and number of shares allotted, pro-rata amount of dividend per share and the aggregate amount of dividend paid or proposed to be paid on pro-rata basis.

11. SUMMARY

11.1. The management upon compliance to all the rules, guidelines and regulations as detailed above in this policy may recommend to the Board of Directors the dividend at a rate (exclusive of the dividend distribution tax or any other applicable taxes on dividend) of any of the following:

a) Maximum of Dividend payout ratio of 20% (excluding taxes).

b) Minimum of 20% of the paid up Equity share capital.

11.2. While recommending such dividend the management will also take into account dividends declared during the preceding 3 years.

11.3. Not with-standing the above, the Board reserves the right not to declare dividend or decide any rate of dividend, for a particular year owing to certain regulatory restrictions if any, during the year, capital conservation prudence, or other exigencies which shall be stated by the Board.

Annexure 4

RELATED PARTY TRANSACTIONS POLICY

[Disclosure as required under Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016]

1. BRIEF BACKGROUND

Security Exchange Board of India (SEBI) vide its circular No.CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, read with circular No.CIR/CFD/POLICY CELL/7/2014 dated 15 September 2014 has amended clause 35B and 49 of the listing agreement and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015. In terms of the said circular and as per Reg.23 of SEBI (LODR) Regulation, 2015, it is mandatory for the listed entities to formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Can Fin Homes Limited is a public limited Company incorporated on October 29, 1987 under the Companies Act, 1956 (Corporate Identity Number L85110KA1987PLC008699). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and as such the provisions of the listing agreements entered into by the Company with the said stock exchanges (hereinafter collectively referred to as the 'Listing Agreements') for equity shares, are applicable and binding on it. In addition to the above SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and amendments thereto is also applicable to the Company.

2. OBJECTIVE OF THE POLICY

The policy is framed as per requirements of Regulation 23 of SEBI(LODR) Regulations, 2015 and intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. Such transactions shall be appropriate only, if they are in the best interest of the Company and its shareholders.

3. SCOPE OF THE POLICY

3.1. During the course of its business, the Company enters into transactions with various entities. Some of the transactions were deemed to be 'Related Party Transactions' as per the Accounting Standard on Related Party Disclosures (AS 18), as notified by the Companies (Accounting Standards) Rules, 2006 and Indian Accounting Standard on Related Party Disclosures (IND AS 24), as notified by the Companies (Indian Accounting Standards) Rules, 2015. Such transactions were duly disclosed in the Annual Reports of the Company. The policy shall be applicable to the transactions made with:

a) Board of Directors and their relatives;

b) Key management Personnel (KMP) of the Company and their relatives; and

c) Related parties, as defined under section 2 (76) of the Companies Act 2013 and as amended from time to time and the Regulation 2(1)(zb) of SEBI(LODR) Regulations, 2015.

3.2. The parties are considered to be related, if, one party has ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions. The description of the related parties is furnished in "Appendix-1 – Definitions of various terms used in the policy".

4. TRANSACTIONS ARE CONSIDERED AS RELATED PARTY TRANSACTIONS

4.1. Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

(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.

4.2. Types of the transactions considered as related party as per Reg.2(1)(zc) of SEBI(LODR) Regulations, 2015 and IND AS-24, of the Companies (Indian Accounting Standards) Rules, 2015.

Transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged, whether single transaction or group of transactions in a contract.

4.3. Types of the transactions considered as related party as per AS-18, Accounting Standard- 18 of 2006:

(a) Purchases or sales of goods (finished or unfinished);

(b) Purchases or sales of fixed assets;

(c) Rendering or receiving of services;

(d) Agency arrangements;

(e) Leasing or hire purchase arrangements;

(f) Transfer of research and development;

(g) License agreements;

(h) Finance (including loans and equity contributions in cash or in kind);

(i) Guarantees and Collaterals; and

(j) Management contracts including for deputation of employees.

4.4. In addition to the above, following transactions between the related parties shall also be considered as related party transactions:

(a) Borrowings

(b) Deposit

(c) Placement of deposits

(d) Advances

(e) Investments

(f) Non-funded commitments

(g) Leasing/HP arrangements availed

(h) Leasing/HP arrangements provided

(i) Purchase of fixed assets

(j) Sale of f i xed assets

(k) Interest paid

(l) Interest received

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee, any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. The Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The notice of any such potential Related Party Transaction should be given to the Board/Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

6. PROCESS FOR ASCERTAINING RELATED PARTY

The Accounts Dept. shall prepare a list of related party on the basis of information collected from the related parties as on 31st of March every year and as and when any person or entity becomes related party, in terms of this policy and declarations received. The related party list shall be updated whenever necessary and shall be reviewed at periodical intervals.

The internal Auditors/Statutory Auditor are required to verify the process of ascertaining the related parties and their correct recording/ listing in register of Contracts/ arrangement etc. as well as their classification regarding whether they are on arm's length basis.

The list of the related parties shall be circulated among the branches and any transactions with the related parties shall be carried out as per the Related Party Transaction policy.

7. APPROVAL OF RELATED PARTY TRANSACTION

7.1. **Approval of Related party transactions by Audit Committee of the Board:** All related Party Transactions proposed to be entered into by the Company shall require prior approval of Audit Committee except those transactions exempted by the committee through omnibus specific approval. All "Material" related party transactions shall require approval of the shareholders through special resolution and no related party shall vote to approve such resolutions. However, this shall not be applicable in the following cases. Transactions entered into between two government companies;

(a) Transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding Company and placed before the shareholders at the general meeting for approval.

7.2. **Approval of the Board of Directors:** All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of the Audit Committee also require approval of the Board of Directors of the Company.

7.3. **Approval of Shareholder:** All the Material Related Party Transactions (as per Reg.23 of SEBI(LODR) Regulations, 2015) and Related Party Transactions exceeding the threshold limits, whether or not in the ordinary course of business of the Company or on an arm's length basis, shall require prior approval of the Audit Committee, the Board and the shareholders of the Company by way of Special Resolution and no related party shall vote to approve such resolution. The shareholders' approval shall not be required in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

In the following cases the prior approval of the Company by a resolution is required whenever a Company is entering into a transaction, and such transaction is contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 of the Companies Act, 2013:

i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company or ₹100 Crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;

ii) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the Company or ₹100 Crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub- section (1) of section 188;

iii) Leasing of property of any kind amounting to 10% or more of the net worth of the Company or 10% or more of turnover of the Company or ₹100 crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;

iv) Availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company or ₹50 crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188.

7.4. Omnibus approval by the Audit Committee:

7.4.1. In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/sharing of services with Subsidiary/ Associate Companies), the Audit Committee may consider grant of an omnibus approval for such RelatedParty Transactions proposed to be entered into by the Company, subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

b. The Audit Committee shall satisfy itself that the need for such omnibus approval and that such approval is in the business interest of the Company.

c. Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price or current contracted price and the formula for variation in the price, if any and (iii) such other conditions as the Audit Committee may deem fit;

7.4.2. Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 crore (Rupees One Crore only) per transaction.

7.4.3. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

7.4.4. Such omnibus approval shall be valid for a period not exceeding 1 (one) year and shall require fresh approval after the expiry of 1 (one) year from the date of the original approval granted by the Audit Committee, from time to time.

7.4.5. In terms of Schedule II Part C Para B point 2 of SEBI(LODR) Regulations, 2015, the Audit Committee shall review the statement containing significant Related Party Transactions. The threshold limit for determining significant Related Party Transactions will be the same as applicable for Material Related Party Transactions under Explanation to Reg.23(1) of SEBI(LODR) Regulations, 2015, as amended from time to time.

8. PROCEDURE OF SEEKING APPROVAL OF RELATED PARTY TRANSACTION

As and when any transaction is contemplated with any Related Party, the concerned office entertaining the request shall submit to the Accounts Dept. RO, the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis in an ordinary course of business at prevailing market rate. The Accounts Department at RO shall appropriately take it up for necessary prior approvals from the Audit Committee at its next scheduled meeting and convey back the decision to the originator.

If the proposed transaction is not in ordinary course of business but at arm's length basis, then the branch/office shall give a detailed note with justification to Accounts Department RO, for entering such transaction along with details of proposed transaction with draft agreement/ MoU/other supporting documents. Based on the note the Accounts Department at RO, shall escalate the matter for necessary approvals of the Audit Committee/Board/ Share Holders as may be applicable.

The Accounts Department at RO, shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential related Party Transaction.

a) A General Description of the transactions

b) The name of the related party and the basis on which such party is a related party.

c) The related party interest in the transaction(s)

d) The approximate rupee value

e) In case of lease or other transaction providing for periodic payments or installments, the aggregate amount of all period payments of installments expected to be made.

f) In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.

g) Any other material information regarding the transaction(s) or the related party's interest in the transactions

9. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recluse himself or herself and abstain from discussion and shall not vote to approve the relevant transaction.

To review a Related Party Transaction, the Committee will be provided with all, relevant material information of the Related Party Transaction, 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.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and

approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

a. Any transaction that involves providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

10. RELATED PARTY TRANSACTIONS WITHOUT THE PRIOR APPROVAL UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy.

11. DISCLOSURES

11.1. The Company shall keep a register in the prescribed form giving the full particulars of contracts or arrangements in respect of all RPTs approved by the Audit Committee and the gist of such contracts/RPTs shall be placed before the Board periodically.

11.2. Necessary disclosures shall be made in the Annual Financial Statements as required under AS 18 and IND AS-24 and RBI guidelines. Further, as required under Para A of Schedule V of SEBI(LODR) Regulations, 2015 necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Company at large, shall also be also given in Report on Corporate Governance section in Annual Report.

As per Point 2A of Para A of Schedule V of SEBI(LODR) regulations, 2015 disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.

11.3. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance.

11.4. The Company shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual Report.

11.5. The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

12. RECORDS RELATING TO RELATED PARTY/ SUPPORTING DOCUMENTS

All disclosures, supporting documents shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Accounts Dept. and any other person authorized by the Board for the purpose.

Agreement or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate shall also be preserved for a period of 8 years from the end of the financial year to which it relates and shall be kept in the custody of the Board and/or any other person authorized by the Board for the Purpose.

13. INTERPRETATION

In any circumstances where the terms of these policies and procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedure until such time as these policies and procedures are changed to confirm to the law, rule, regulation or standard.

14. SECRECY PROVISIONS

In terms of paragraph 5 of Accounting Standard 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. In terms of Paragraph 6 of Accounting Standard 18, in case a statute or SEBI prohibits the Company from disclosing certain information which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the requirements of Accounting Standard 18. It is clear from the above that on account of the judicially recognized common law duty of the Company to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, Company need not disclose any details pertaining to that related party other than the relationship with that related party.

15. REVIEW OF RELATED PARTY TRANSACTION POLICY

The Related Party Transaction Policy is a part of Corporate Governance Policy. Therefore, the same has to be reviewed at periodical intervals by the Board as per the Transactions.

DEFINITIONS

a. Arm's Length Transaction

Explanation Section 188(1)(b) of the Companies Act, 2013 defines an "arm's length transaction" to mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

b. Associate Company

A. Companies Act, 2013:

In terms of Section 2(6) of the Companies Act, 2013 "Associate Company" in relation to another Company, means a Company in which that other Company has a significant influence, but which is not a subsidiary Company of the Company having such influence and includes a joint venture Company.

"significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

"joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

B. Listing Agreement SEBI(LODR) Regulations, 2015:

As per Reg.2(1)(b) of SEBI(LODR) Regulations, 2015 "associate" shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

c. Audit Committee

The term "Audit Committee" means the committee of Board of Directors the Company constituted in accordance with the provisions of Reg. 18 of SEBI(LODR) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

d. Material Related Party Transaction

In terms of Explanation to Reg.23(1) of SEBI(LODR) Regulations, 2015, a transaction with a related party

shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

In terms Reg.23(1A) of SEBI(LODR) Regulations, 2015 notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

e. Related Party

A. Companies Act, 2013:

The term Related Party has been defined under Section 2(76) of the Companies Act, 2013 as follows-

Related Party with reference to a Company means –

(i) a Director or his relative;

(ii) a Key Managerial Personnel or his relative;

(iii) a firm, in which a Director, Manager or his relative is a partner;

(iv) a private Company in which a Director or Manager is a member or director;

(v) a public Company in which a Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;

(vi) any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;

(vii) any person on whose advice, directions or instructions a Director or Manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any Company which is —

(A) a holding, subsidiary or an associate Company of such Company; or

(B) a subsidiary of a holding Company to which it is also a subsidiary;

(C) an investing Company or the venture of the Company

Explanation- For the purpose of this clause, "the investing Company or the venture of a Company" means a body corporate whose investment in the Company would result in the Company becoming an associate Company of the body corporate.

(ix) such other person as may be prescribed;

Rule 3 of the Companies (Specification of definitions details) Rules, 2014, provides that a Director or Key Managerial Personnel of the holding Company or his relative with reference to a Company shall also be deemed to be a related party.

B. SEBI(LODR) Regulations, 2015

The term Related Party has been defined under Regulation 2(1)(zb) of SEBI(LODR) Regulations, 2015 as follows:

"related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

C. Accounting Standard:

As per Standard 10.1 of Accounting Standard 18 (AS 18) pertaining to Related Party Disclosures

notified by the Companies (Accounting Standards) Rules, 2006, a Related Party is defined as follows -

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

In view of the above definition, AS 18 further defines the terms 'control' and 'significant influence' as follows -

f. Control –

a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or

b) control of the composition of the board of directors in the case of a Company or of the composition of the corresponding governing body in case of any other enterprise, or

c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

Significant Influence –Participation in the financial and/or operating policy decisions of an enterprise, but not control of those policies.

As per Accounting Standard 'AS-24' a "related Party" is a person or entity that is related to the entity that is preparing its financial statements (in this standard reffered to as the 'reporting entity')

g. Related Party Transaction

Reg.2(1)(zc) of SEBI(LODR) Regulations, 2015 Clause 49(VII)(A) of the Listing Agreements defines a "Related Party Transaction" means to be a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

h. Relative

In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014 a person is said to be a relative of another, if -

a. They are members of a Hindu undivided family;

b. They are husband and wife;

c. Father (including step-father);

d. Mother (including step-mother);

e. Son (including step-son);

f. Son's wife;

g. Daughter;

h. Daughter's husband;

i. Brother (including step-brother); or

j. Sister (including step-sister).

Annexure 5

ANNUAL REPORT ON CSR ACTIVITIES

Our Company's CSR Policy is broadly based on the Principles of National voluntary guidelines on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs, SEBI guidelines on Business Responsibility Reporting, the Companies Act, 2013 and ethos of our Sponsor-Canara Bank.

The contents of the CSR Policy of the Company, as approved by the Board, are displayed in the Company's official website. Our Company has also chosen 'Education', 'Women Empowerment', 'Health care sector' and 'Environmental Sustainability', "Renewable energy" as its thrust areas towards implementation of CSR activities.

The CSR Committee comprised of:

Mrs Bharati Rao (Chairperson)
Mr S K Hota – Member
Mr Shreekant M Bhandiwad-Member
Mr G Naganathan – Member

The average net profit of the Company for the last three years is:

	Financial Year	₹ in Crore
a	Net Profit before Tax for FY 17-18	458.06
b	Net Profit before Tax for FY 16-17	370.17
c	Net Profit before Tax for FY 15-16	253.86
d	**Total**	**1082.09**
e	Average Net Profit (before Tax) for three years	360.70
f	Budgeted CSR amount 2% of (e) above – FY 18-19	7.21
g	Unspent amount of FY 15-16 & FY 2016-17	3.30
h	Total budget for CSR activities for FY 18-19 (f+g)	10.51

Details of budgeted CSR spent during the financial year:

a) Total amount to be spent for the financial year 18-19: ₹10.51 Crores.

Out of which an amount of ₹6.06 Crores has been spent during the year.

b) Unspent amount of FY 18-19 – ₹4.45 Crore.

The unspent amount has already been sanctioned during the year, however disbursement will be based on progress in the respective projects.

c) Manner in which the amount spent during the financial year: As per Annexure.

The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-	Sd/-	Sd/-	Sd/-
Shreekant M Bhandiwad	**S K Hota**	**G Naganathan**	**Bharati Rao**
Dy. Managing Director	Managing Director	Director	Chairperson

(Members of CSR Committee)

Place: Bengaluru
Date: April 30, 2019

Details of Disbursements/amount spent towards CSR activities as on March 31, 2019

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent : Direct or through agency
1	Old Age Home (Sri Matha Charitable Trust)	Welfare measures	Bengaluru, Karnataka	82,600	82,600	NIL	Direct
2	Govt. Model Primary School, Wilson Garden, Bengaluru.	Promoting Education	Bengaluru, Karnataka	4,36,370	4,36,370	NIL	Direct
3	Govt. PU Middle School, Parambhupatti, Madurai Dist.	Promoting Education	Madurai, Tamil Nadu	1,96,804	1,96,804	NIL	Direct
4	Nehru Nodal Uccha Bidyapitha, Nehru Colony Cuttack.	Promoting Education	Cuttack, Odisha	3,59,564	3,59,564	NIL	Direct
5	Govt. Higher Secondary School, Nemmeli.	Promoting Education	Thanjavur, Tamil Nadu	6,37,200	6,37,200	NIL	Direct
6	Govt. Primary School, Jani.	Promoting Education	Karnal, Haryana	1,78,715	1,78,715	NIL	Direct
7	Sri Ramakrishna vidyakendra, Ramakrishna Mission, Shivanahalli, Bengaluru.	Promoting Education	Bengaluru, Karnataka	8,75,786	8,75,786	NIL	Direct
8	Sevakshetra hospital and Mathruchaya Founding home. (Canara Bank Relief and Welfare Society)	Healthcare	Bengaluru, Karnataka	2,50,276	2,50,276	NIL	Direct
9	Panchayat Middle School, Ettarai.	Promoting Education	Thiruchirapalli, Tamil Nadu	72,100	72,100	NIL	Direct
10	1) Purv Madhyamik Vidyalaya, Rasoolpur, Kaysatha. 2) Primary School, Rasoolpur, Kaysatha. 3) Purv Madhyamik Vidyalaya, Mirjapur, Chinhat. 4) Madhyamik Vidyalaya, Mirjapur, Chinhat.	Promoting Education	Lucknow, Uttar Pradesh	3,51,190	3,51,190	NIL	Direct
11	Panchayat Union Middle School, Chinna mookanankurichi, Karur.	Promoting Education	Karur, Tamil Nadu	1,98,339	1,98,339	NIL	Direct
12	Panchayat Union Middle School, Ayyampalayam Village, Thanthoni Union.	Promoting Education	Karur, Tamil Nadu	49,775	49,775	NIL	Direct
13	Govt. Primary School, Chinna Ammapalayam.	Promoting Education	Salem, Tamil Nadu	2,04,000	2,04,000	NIL	Direct
14	Taranga Children School of Deaf and Dumb, Shimoga.	Welfare measures	Shimoga, Karnataka	4,92,300	4,92,300	NIL	Direct
15	Govt. Higher Primary School, B Channasandra.	Promoting Education	Bengaluru, Karnataka	2,82,492	2,82,492	NIL	Direct
16	Mandal Parishad Primary School, Sattenapalle.	Promoting Education	Guntur, Andhra Pradesh	1,18,200	1,18,200	NIL	Direct
17	Govt. Primary School, Bisrakh, Greater noida.	Promoting Education	Greater Noida, Uttar Pradesh	4,90,334	4,90,334	NIL	Direct
18	Govt. Lower primary school, Anagalapura, Doddaballapura Taluk.	Promoting Education	Bengaluru Rural, Karnataka	33,000	33,000	NIL	Direct
19	Govt. Higher Secondary School, Sundakkamuthur.	Promoting Education	Coimbatore, Tamil nadu	2,28,212	2,28,212	NIL	Direct

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent : Direct or through agency
20	Amogh Charitable Trust -Rehabilitation Centre for differently abled children/ persons.	Welfare measures	Bengaluru, Karnataka	1,92,753	1,92,753	NIL	Direct
21	Govt. Higher Primary School, Tavarekere, Magadi Road.	Promoting Education	Bengaluru, Karnataka	6,12,972	6,12,972	NIL	Direct
22	Panchayat Union Primary School, Andankoil East village.	Promoting Education	karur, Tamil Nadu	1,89,744	1,89,744	NIL	Direct
23	Scholarship for Girl Student.	Scholarship	Bengaluru, Karnataka	30,000	30,000	NIL	Direct
24	Police headquarters ,Tambaram.	Eradicating Hunger	Chennai, Tamil nadu	6,19,500	6,19,500	NIL	Direct
25	Govt. Higher Primary School, Arebassapur, Harapanahalli, Davanagere.	Promoting Education	Davangere, Karnataka	52,392	52,392	NIL	Direct
26	Govt. Higher Primary School, Thurahalli, Bengaluru South.	Promoting Education	Bengaluru, Karnataka	4,20,100	4,20,100	NIL	Direct
27	Siva Sakthi Sathya Sai Charitable Trust -Residential Home for Intellectually Disabled.	Welfare measures	Bengaluru, Karnataka	81,128	81,128	NIL	Direct
28	Panchayath Union Primary School, Cuddalore.	Promoting Education	Cuddalore,Tamil Nadu	1,65,200	1,65,200	NIL	Direct
29	Govt. Higher Primary School, Hosakerehalli, Bengaluru.	Promoting Education	Bengaluru, Karnataka	6,18,727	6,18,727	NIL	Direct
30	1) GVMC Govt. MVD High School, Dandu Bazaar, Vizag and 2) GVMC Govt. Primary School, Kotha salipeta, Vizag.	Promoting Education	Visakhapatnam, Andhra Pradesh	2,54,310	2,54,310	NIL	Direct
31	Akshaya Patra Foundation, Jaipur.	Eradicating Hunger	Jaipur, Rajasthan	8,42,833	8,42,833	NIL	Direct
32	Tree gaurds to protect plants/ saplings in and around Siddipet .	Environmental Sustainability	Siddipet, Telangana	5,70,000	5,70,000	NIL	Direct
33	Scholarship for Girl Student,Boisar.	Scholarship	Mumbai, Maharashtra	12,152	12,152	NIL	Direct
34	1) Govt. Higher Primary School, Gandhipura, Whitefield. 2) Kuvempu Shathamanotsava Govt. Primary School, Immadihalli.	Promoting Education	Bengaluru, Karnataka	6,46,910	6,46,910	NIL	Direct
35	Govt. Higher Primary School, Aduvalli Village, Hassan.	Promoting Education	Bengaluru, Karnataka	4,23,154	4,23,154	NIL	Direct
36	Govt. High School, Denkada Mandal, Vizianagaram.	Promoting Education	Vizianagaram, Karnataka	1,36,050	1,36,050	NIL	Direct
37	Ramakrishna Math, Coimbatore.	Promoting Education	Coimbatore, Kerala	30,00,000	30,00,000	NIL	Direct
38	1) Govt. Lower Primary School, Belanje, Hebri Taluk, Udupi Dist. 2) Govt. Higher Primary School, Chara, Karkala Taluk, Udupi Dist.	Promoting Education	Udupi, Karnataka	3,40,482	3,40,482	NIL	Direct

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent : Direct or through agency
39	Panchayath Union Middle School, SP Natham, Kallikudi Union, Thirumangalam.	Promoting Education	Madurai, Tamil Nadu	99,500	99,500	NIL	Direct
40	Mandal Primary Parisath Govt. School, Kavvagunta, Pedavegi Mandal.	Promoting Education	West Godavari, Andhra Pradesh	1,94,620	1,94,620	NIL	Direct
41	Govt. Pre-University College High School, Kodigehalli.	Promoting Education	Bengaluru, Karnataka	2,15,704	2,15,704	NIL	Direct
42	Govt. High School, Doddakanahalli.	Promoting Education	Mandya, Karnataka	11,69,144	11,69,144	NIL	Direct
43	Govt. Higher Secondary School, Kattoor.	Promoting Education	Thrissur, Kerala	1,40,278	1,40,278	NIL	Direct
44	Karnataka Cancer Therapy & Research Institute, Hubli.	Healthcare	Hubli, Karnataka	30,58,000	30,58,000	NIL	Direct
45	M/s Parivaar Education Society, Sandalpur village.	Promoting Education	Dewas, Madhya Pradesh	60,00,000	60,00,000	NIL	Direct
46	M/s Ramakrishna Math Charitable Dispensary & Diagnostic Centre, Mylapore,Chennai.	Healthcare	Chennai, Tamil Nadu	24,80,768	24,80,768	NIL	Direct
47	Govt. Higher Primary School, Alangudi, Valangaiman,Thiruvalur.	Promoting Education	Thiruvalur, Tamil Nadu	2,00,357	2,00,357	NIL	Direct
48	Govt. Girls High School, Kabulpur.	Promoting Education	Rohtak, Haryana	2,68,600	2,68,600	NIL	Direct
49	Scholarship for 8 students of Ahmedabad, Gollapudi, Gachibowli, Ongole, Nelamangala.	Scholarship	Gujarat, Andhra pradesh, Telangana, Karnataka	5,37,900	5,37,900	NIL	Direct
50	1) Govt. Higher Primary School, Kakkepadavu, Bantwal. 2) Anganwady Kendra, Guddemata, Kakkepadavu.	Promoting Education	Mangalore, Karnataka	2,53,900	2,53,900	NIL	Direct
51	Govt. Model Primary School, Herohalli, Bengaluru.	Promoting Education	Bengaluru, Karnataka	8,83,820	8,83,820	NIL	Direct
52	Govt. High School, Sivarakottai, Madurai Dist.	Promoting Education	Madurai, Tamil Nadu	2,85,250	2,85,250	NIL	Direct
53	Govt. Primary School, Mahuar Kala-1, Chahaniya, Chandauli.	Promoting Education	Chandauli, Uttar Pradesh	1,76,100	1,76,100	NIL	Direct
54	1) Govt. Primary School, Yadawad, Dharwad. 2) Govt. High School, Yadawad, Dharwad.	Promoting Education	Dharwad, Karnataka	5,75,742	5,75,742	NIL	Direct
55	Govt. Boys Senior Secondary School, J&K Block, Dilshad Garden Delhi.	Promoting Education	Delhi	81,402	81,402	NIL	Direct
56	The Hubli Hospice, a charitable trust.	Healthcare	Hubli, Karnataka	2,00,000	2,00,000	NIL	Direct
57	The Akshaya Patra Foundation, Yeshwanthapura, Jigani, Mangalagiri	Eradicating Hunger	Karnataka, Andhra Pradesh	56,91,000	56,91,000	NIL	Direct
58	M/s Swami Vivekananda Youth Movement, Mysore.	Promoting Education	Mysore, Karnataka	19,60,000	19,60,000	NIL	Direct

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent : Direct or through agency
59	Shree Shridhara Seva mahamandala, Sagar.	Promoting Education	Shimoga, Karnataka	3,35,000	3,35,000	NIL	Direct
60	Government Higher Primary School, Ravudukunda.	Promoting Education	Kurnool, Andhra Pradesh	3,67,260	3,67,260	NIL	Direct
61	Govt Higher primary school, S M Badavane, Davanagere.	Promoting Education	Davanagere, Karnataka	6,16,020	6,16,020	NIL	Direct
62	Govt Middle school, jatkhedi, bhopal.	Promoting Education	Bhopal,Madhya Pradesh	1,08,970	1,08,970	NIL	Direct
63	Govt. Rajkiya Uccha Prathamik Sankshruth Vidyala , Vinoba Bhave Nagar, Kota.	Promoting Education	Kota, Rajasthan	1,98,311	1,98,311	NIL	Direct
64	1. Govt Urdu Higher Primary School, Attibele 2. Govt Girls higher primary school, Attibele.	Promoting Education	Bengaluru, Karnataka	5,32,888	5,32,888	NIL	Direct
65	Gandhi Old Age Home-Registered Voluntary Organisation.	Welfare measures	Bengaluru, Karnataka	7,50,770	7,50,770	NIL	Direct
66	Govt Higher Primary School, Mallekavu, Kortagere Taluk, Tumkur.	Promoting Education	Tumkur, Karnataka	58,410	58,410	NIL	Direct
67	1. Govt Higher primary School, Gangada Hosahalli, H D Kote, Mysore. 2. Government Higher primary School,, Vaderahasahalli, Hunsur Taluk, Mysore 3. Government higher primary School, Dadadahalli, Jayapura Hobli, Mysore.	Promoting Education	Mysore, Karnataka	4,09,283	4,09,283	NIL	Direct
68	1. Government Higher primaray school, Devanahalli 2. Government High School, Devanahalli.	Promoting Education	Bengaluru, Karnataka	5,32,038	5,32,038	NIL	Direct
69	Supply of 20,000 cotton bags to avoid usage of plastics	Ecological Balance	Bengaluru, Karnataka	11,92,270	11,92,270	NIL	Direct
70	Jayadeva Institutue of Cardiovascular sciences and Research, Bengaluru.	Healthcare	Bengaluru, Karnataka	78,22,080	78,22,080	NIL	Direct
71	Canara Bank Relief and Welfare Society.	Healthcare	Bengaluru, Karnataka	43,66,336	43,66,336	NIL	Direct
72	Rotary, Indiranagar.	Promoting Education	Bengaluru, Karnataka	12,50,000	12,50,000	NIL	Direct
73	Government High School, doddabanahalli, kr puram.	Promoting Education	Bengaluru, Karnataka	3,50,460	3,50,460	NIL	Direct
74	Govt High School, Bagalakunte.	Promoting Education	Bengaluru, Karnataka	2,59,980	2,59,980	NIL	Direct
75	Zilla parishad High school, kushaiguda, keesara mandal, RR dist	Promoting Education	Hyderabad, Telangana	92,000	92,000	NIL	Direct
76	Govt Lower Primary Achool, kugonahalli, Doddaballapur.	Promoting Education	Bengaluru, Karnataka	33,000	33,000	NIL	Direct
77	Government Higher Secondary School, kharbai, Raisen.	Promoting Education	Raisen, Madhya Pradesh	97,350	97,350	NIL	Direct

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent : Direct or through agency
78	Government General Hospital, Guntur	Healthcare	Guntur, Andhra Pradesh	77,408	77,408	NIL	Direct
79	Rajeev Gandhi Municipal High School, Ananda Bharathi, kakinada.	Promoting Education	Kakinada, Andhra Pradesh	1,85,000	1,85,000	NIL	Direct
80	Nodal Upper Primary School, Badapur.	Promoting Education	Berhampur, Odisha	49,000	49,000	NIL	Direct
81	Government High School, Bachahalli, Devanahalli.	Promoting Education	Bengaluru, Karnataka	48,000	48,000	NIL	Direct
82	Govt High School, Karimnagar.	Promoting Education	Karimnagar, Telangana	1,59,800	1,59,800	NIL	Direct
83	Zilla praja parishad high school, kodavalur mandal, Nellore.	Promoting Education	Nellore, Andhra Pradesh	57,500	57,500	NIL	Direct
84	Wenlock district Hospital, Mangalore.	Healthcare	Mangalore, Karnataka	9,78,500	9,78,500	NIL	Direct
85	Panchayat Union Primary School, Sallipatty, Nilakkottai.	Promoting Education	Dindigul, Tamilnadu	48,380	48,380	NIL	Direct
86	Govt Middle School, Basti Peer Dad, Jalandhar.	Promoting Education	Jalandhar, Punjab	98,920	98,920	NIL	Direct
87	Deenabandhu Childrens Home, Chamarajanagara.	Promoting Education	Chamarajanagara, Karnataka	73,160	73,160	NIL	Direct
88	Canara Bank Jubilee Education Fund.	Promoting Education	Bengaluru, Karnataka	85,000	85,000	NIL	Direct
89	Kanya vidyalaya, madhvapurnagar kshetra, Allahabad.	Promoting Education	Prayagraj, Uttar Pradesh	1,29,400	1,29,400	NIL	Direct
90	Provided saplings with pots/tree guards to the customers	Environmental Sustainability	our branches across India	44,240	44,240	NIL	Direct
				606,24,483	**606,24,483**		

Details of CSR activities sanctioned during FY 2018-19 and pending for disbursement

Sl No.	CSR Project or activity Identified	Sector in which project is covered	District/State where projects was undertaken	Amount outlay (budget) project or program wise	Amount Pending for Disbursement	Amount spent : Direct or through agency
1	Ramakrishna Math, Coimbatore.	Promoting Education	Coimbatore,Kerala	9,700,000	6,700,000	Direct
2	Parivaar Education Society,Sandalpur.	Promoting Education	Dewas,Madhya Pradesh	15,000,000	9,000,000	Direct
3	Shri Sathya Sai Sanjeevini Hospital.	Healthcare	Naya Raipur,Chattisgarh	4,700,000	4,700,000	Direct
4	Scholarship of Student.	Promoting Education	Ongole,Andhra Pradesh	30,000	15,000	Direct
5	Scholarship of Girl Student.	Promoting Education	Mumbai,Maharashtra	46,124	33,972	Direct
6	Ramakrishna Mission,Shivanahalli.	Promoting Education	Bengaluru,Karnataka	11,504,000	11,504,000	Direct
7	Kidwai Memorial Institute of Oncology, Bengaluru.	Healthcare	Bengaluru,Karnataka	7,530,000	7,530,000	Direct
8	Rotary ,Indiranagar,Bengaluru.	Promoting Education	Bengaluru,Karnataka	2,511,900	1,261,900	Direct
9	Ramakrishna math,Ramanathapuram.	Healthcare	Ramanthapuram,Tamil Nadu	1,817,480	1,817,480	Direct
10	Rotary Orchards,Bengaluru.	Promoting Education	Bengaluru,Karnataka	600,000	600,000	Direct
11	Govt Junior School,Madhuban bapudham.	Promoting Education	Ghaziabad,Uttar Pradesh	172,280	172,280	Direct
12	Govt middle school ,tiparpur.	Promoting Education	Dehradun,Uttarakhand	140,885	140,885	Direct
13	Chetana Child Development centre,Seva Bharathi.	Promoting Education	Mangalore,Karnataka	1,000,000	1,000,000	Direct
				54,752,669	**44,475,517**	

Sd/-
Shreekant M Bhandiwad
Dy. Managing Director

Sd/-
S K Hota
Managing Director

Sd/-
G Naganathan
Director

Sd/-
Bharati Rao
Chairperson

(Members of CSR Committee)

Place: Bengaluru
Date: April 30, 2019

Annexure 6

BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report is a disclosure mandated by the Securities and Exchange Board of India (SEBI) for the top 500 listed companies [Reg.34(2)(f)]. It covers intiatives taken from an environment, social and governance perspective.

SECTION A- GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L85110KA1987PLC008699
2. Name of the Company	CAN FIN HOMES LIMITED
3. Registered Address	No.29/1, 1st Floor, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 Tel: 080 26564259/ 26567655 FAX: 080 26565746
4. Website	www.canfinhomes.com
5. Email id	compsec@canfinhomes.com development@canfinhomes.com
6. Financial Year reported	2018-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Housing Finance- 64192 Insurance – 65110 (Industrial Group as per National Industrial Classification Ministry of Statistics and Programme Implementation)
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Housing loan to individuals (ii) Housing loan to Builders/developers and (iii) Loan against Property.
9. Total number of locations where business activity is undertaken by the Company	
a. Number of International Locations (Provide details of major 5)	NA (No overseas presence as of date).
b. Number of National Locations	As on date CFHL is spread across Country with 154 branches, 21 Affordable Housing Loan Centres and 14 Satellite offices in 21 States/Union Territories.
10. Markets served by the Company - Local / State / National / International	India

SECTION B - FINANCIAL DETAILS OF THE COMPANY

1.	Paid up capital	2,663.31 (₹ in Lakh)
2.	Total turnover	1,73,134.56 (₹ in Lakh) (FY2018-19)
3.	Total profit after taxes	29,676.43 (₹ in Lakh) (FY2018-19)
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.04
5.	List of activities in which expenditure in four above has been incurred:	Providing desks & benches, Tables, Almirahs, Green Board/ Chairs etc., construction/ repair & renovation of Schools/ Hostels, Drinking water facility/ supply of other articles of necessity, Nali kali round tables/ chairs, providing Electrical & Electronic Items, Toilet facility, Scholarship, providing School bags & Stationery items, purchase of Hospital Equipment, necessity items at Old age homes, Solar Lighting system, Tree planting under environmental protection/ sustainability, saplings with Tree Guards/ pots to the customers, eradicating hunger, construction of Tuition centre, construction of hostels for Tribal Children etc.

SECTION C - OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**

   CFHL does not have any subsidiary.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).**

   Not applicable.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]**

   Not applicable.

SECTION D - BUSINESS RESPONSIBILITY INFORMATION

1. **Details of Director / Directors responsible for BR:**

   a. Details of the Director / Directors responsible for implementation of the BR policy/ policies:

   The Board of the Company is collectively responsible for the implementation of the BR policies of the Company.

   b. Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN (if applicable)	07491088
2.	Name	Shri S K Hota
3.	Designation	Managing Director and CEO
4.	Telephone No.	080-26568687
5.	e-mail id	hotask@canfinhomes.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

Principle **1**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle **2**

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle **3**

Businesses should promote the well being of all employees.

Principle **4**

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

Principle **5**

Businesses should respect and promote human rights.

Principle **6**

Businesses should respect, protect and make efforts to restore the environment.

Principle **7**

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle **8**

Businesses should support inclusive growth and equitable development.

Principle **9**

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Yes 'Y' or No 'N')

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for:	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	All the policies have been developed as a result of detailed consultation, experience and research on the best practices adopted in the Industry.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5.	Does the Company have a specified Committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.canfinhomes.com/Policies-Codes.aspx								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the Company carried out independent audit / evaluation policy by an internal or external agency?	All the policies of the Company are reviewed/ evaluated internally.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles.	Not Applicable						*	Not Applicable	
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify).									

*The Company presently is not a member of any trade and chamber or association.

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meets to assess the BR performance of the Company - Within 3 months, 3-6 months, annually, more than 1 year.

3-6 months.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the BR Report in the Annual Report, on the website of the Company (www.canfinhomes. com) and files the same online on NSE & BSE websites.

SECTION E - PRINCIPLE-WISE PERFORMANCE

Principle 1 - Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

Yes. The Company believes in ethical and transparent practices. It is committed to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and senior management have a responsibility to set exemplary standards of ethical behaviour. The Management constantly endeavours to inculcate this ethical behaviour at all levels in the organization so that it becomes an integral part of the work culture among all its employees.

The Company believes that transparency means being open in its relationship with its customers and all its stakeholders as well as in the conduct of its business. The Company believes in empowerment and has delegated decision-making powers to appropriate levels in the organizational hierarchy. Each executive and employee is similarly accountable for the functions and responsibilities entrusted to him/her. The Company believes that transparency increases accountability and scrutiny. Every employee of the Company shall conduct himself / herself professionally and deal on behalf of the Company with honesty and integrity, while conforming to high ethical standards.

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?

Not applicable.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

3301 complaints were received during the financial year 2018- 19, from various stakeholders (housing loan applicants, borrowers, depositors, shareholders and debenture holders). 3286 complaints, working out to 99.55 percent were satisfactorily resolved.

During the year, the Company had received 2 complaints (SEBI SCORES) from investors and both the complaints have been resolved satisfactorily.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company believes that a business done with moral values and principles will only sustain and has integrated its business values and operations to meet the expectations of its customers, employees, investors, stakeholders and community at large. The Company provides and maintains a clean, healthy and safe working environment for employees, customers and stakeholders. The Company strives to enhance its standards of service delivery. The biggest social responsibility of helping people to have homes of their own is the main objective of the Company. To facilitate the same, the Company has been providing loans to home buyers at competitive rates of interest through its various schemes.

1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

a. 21 Affordable Home Loan Centres (AHLCs) have been opened to cater to affordable housing loans under Credit Linked Subsidy Scheme (PMAY) and loans eligible for refinance under Affordable Housing Fund (both rural and urban) at competitive rate of interest to beneficiaries belonging to Economically Weaker Section (EWS), LIG & MIG, Women, Schedule Castes / Schedule Tribes / Other Backward Classes, Minorities, Persons with disabilities and Transgender.

b. To bring about the empowerment of women, the Company offers housing loans to women applicants who are the sole owner of the property or the joint owner in a jointly owned property at concessional rates of interest.

c. Schemes offering one- time concession of 0.05% in ROI for initial one year, for individual housing loans granted to women beneficiaries (for loans upto ₹25

lakh in metro / urban areas), Naval / Airforce / Defence personnel (both in service and after retirement) and physically challenged persons.

2. For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)?

   Since the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, while considering financing housing project these factors are given due importance. It may be mentioned here that the Company minimises the consumption of electrical energy and natural resources and under its green initiative, has installed solar power in 16 branches and has been ensuring usage of paper to the minimum.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

   Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company has, to the best possible extent, tried to improve the capacity and capability of local and small vendors by patronizing them to supply / provide different services required by the Company for its day to day administration / operation.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. The Company minimises the consumption of electrical energy and natural resources and shall strive to prevent pollution of air, water and land.

Principle 3 - Businesses should promote the wellbeing of all employees.

1. Please indicate the total number of employees.

   Total number of employees as on March 31, 2019 was 792.

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.

   200 employees are hired on a contractual basis.

3. Please indicate the number of permanent women employees.

   144 are permanent women employees in the Company as on March 31, 2019, which constitute 24.32 percent of the total permanent employee strength of the Company.

4. Please indicate the number of permanent employees with disabilities.

   3 employees.

5. Do you have an employee association that is recognized by management?

   There is no employees' association. However, mechanisms are in place for employees to represent their issues, if any.

6. What percentage of your permanent employees is members of this recognized employee association?

   Not Applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category pending as on	No. of complaints filed during the financial year	No. of complaints pending at the end of the financial year
1.	Child labour/forced labour/ involuntary labour	CFHL does not hire child labour, forced labour or involuntary labour- No cases reported.	Not applicable
2.	Sexual harassment	None	Not applicable
3.	Discriminatory employment	None	Not applicable

8. What safety and skill up-gradation training was provided in the last year?

   Internal and external training for upgrading and enhancing the skills and knowledge level was given to different categories of employees viz. permanent employees (including women and employees with disabilities) and contract employees.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised.

1. Has the Company mapped its internal and external stakeholders?

   The Company's key stakeholders include promoters, employees, customers, business associates, recovery agents, investors, agents, suppliers and regulatory agencies. Our Investors comprise of shareholders (including Institutional Investors, corporate bodies, foreign institutional investors, foreign bodies etc.).

   The Company and its employees strive to provide value based services to the stakeholders. The Company is in constant touch with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

   The Company through its schemes for Affordable home loans helps customers with incomes in the lower brackets/ lower strata of society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

   Formal and informal consultations/ meetings are held with the different stakeholders at different management levels to obtain their ideas, views and opinions for better handling of their interests.

   If the customers have any grievances, they can make a complaint by letter or by email addressed to the concerned Branch Manager. In case the grievance is not resolved within 7 days, it can be escalated to the Complaint Redressal Officer in the Registered Office.

   The Company has also introduced a system of getting customer feedback online through Company's website and by way of mailers to customers to record his/her feedback. The branches will go through such feedback and resolve the complaints/ take necessary action for resolution of the issues raised by the customer.

Principle 5 - Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company abides by the principle of respect and support for human rights and adheres to the spirit of fundamental rights in its policies and systems. The Company ensures that all individuals impacted by its business shall have access to grievance redressal mechanisms. The Company conducts business in a manner that respects the rights and dignity of all people, complying with all legal requirements.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   For stakeholder complaints, kindly refer Principle 1 under Section E of this BR Report.

Principle 6 - Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

   The Company is committed to respect, protect and make efforts towards renewable resources to avoid depletion of natural resources. The Company shall comply with legal / regulatory requirements related to environment protection, management and sustainable development. The Company as a part of its CSR has extended financial support for installation of solar plant at 4 organisations. The Company has also taken the CSR initiative to provide tree saplings along with tree pots/ guards to the loan borrowers under environmental sustainability. 20,000 cotton bags were supplied to customers with a message to avoid use of plastic.

2. Does Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

   Not applicable since the Company is engaged in providing finance for construction / purchase of house / flat.

   The Company has replaced models of computers, printers and other equipment which were consuming more energy. The Company has installed solar energy powered lighting and computer operation in 16 branches. Usage of paper is reduced substantially and the Company is gradually moving towards paperless environment.

3. Does the Company identify and assess potential environmental risks?

   Yes. The Company being in the business of granting housing loans ensures housing projects which are environmentally safe and secure, by taking opinion from the experts, i.e., from panel valuers.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   Not applicable.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   NIL

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Not Applicable.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   NIL.

Principle 7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association?

   The Company presently is not a member of any trade and chamber or association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

   Not Applicable.

Principle 8 - Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Company with its objective of promoting home ownership and increasing housing stock across the Country functions on the principles of inclusive growth and equitable development. By opening 189 offices (March 31, 2019) throughout the Country, which includes 21 Affordable Home Loan Centres and 14 Satellite Offices to exclusively cater to affordable loans under rural housing, urban housing, PMAY (CLSS) schemes - EWS/LIG/MIG, the Company is trying in its own way to contribute to the overall development of the country.

   Further the Company as part of its CSR initiative, with an intention to benefit the poor and marginalised people in the society has helped improve infrastructure in 57 Government schools during the year.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?

   The Company as a part of its Corporate Social Responsibility (CSR) initiative has identified and funded 57 schools for infrastructure and basic amenities that were lacking, through its in- house teams.

3. Have you done any impact assessment of your initiative?

   All CSR activities of CFHL are conducted with the direct involvement of Company officials and the impact of the initiative are measured by follow-up visits. We are contacting the beneficiaries of our CSR initiatives to ascertain/quantify the impact on the society.

4. What is your Company's direct contribution to community development projects- amount in INR and the details of the projects undertaken?

   Apart from contributions towards CSR activities to the extent of ₹6.06 Crore, the Company has made small contributions towards other activities viz., Yoga events, Marathon conducted to support under-privileged children, etc.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

We are contacting the beneficiaries of our CSR initiatives to ascertain/quantify the impact on the society.

We have made contribution of ₹78.22 lakh to Sri Jayadeva Institute of Cardiovascular Sciences and Research, Bengaluru towards purchase of Heart Lung Machine. The machine benefits around 10-15 patients per day.

Contribution of ₹30.58 lakh to Karnataka Cancer Therapy & Research Institute, Hubbali, towards purchase of Anesthesia machine which is now used round the clock. Funds for procuring 156 beds of different types has also been given.

Contribution of ₹39.36 lakh to Akshaya Patra foundation towards midday meal to 6150 children at Mangalagiri for 6 months has been made.

Contribution of ₹9.78 lakhs to Wenlock hospital for purchase of a laparoscopy machine which helps around 10 patients every day, to undergo Keyhole surgeries.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Percentage of customer complaints pending as on March 31, 2019 - 1.08 percent (34 pending out of 3142 received).

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

CFHL is a housing finance Company and hence not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years and pending as at end of financial year. If so, provide details thereof, in about 50 words or so.

There is no such instance.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey/ consumer satisfaction trends. However, the Company collects customer feedback through mailers and customer portal hosted on the website of the Company.

Place: Bengaluru
Date : May 22, 2019

Sd/-
S K Hota
Managing Director

Sd/-
Bharati Rao
Chairperson

Annexure 7

FORM AOC 2

Particulars of contracts/arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2]

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not in arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Nature of Contract	Nature of relationship	Date of Sanction	Tenure (years)	Salient Terms *	Outstanding Amount (in ₹ Crore)	Interest Paid
1) Loans from Canara Bank						
Term Loan 143	Sponsor Bank	August 21, 2017	10	TL at MCLR	1,500.00	122.95
Term Loan 150	Sponsor Bank	February 27, 2018	10	TL at MCLR	200.00	16.38
Term Loan 153	Sponsor Bank	February 27, 2018	10	TL at MCLR	200.00	16.39
Term Loan 157	Sponsor Bank	February 27, 2018	10	TL at MCLR	100.00	8.18
Term Loan 161	Sponsor Bank	November 02, 2018	10	TL at MCLR	450.00	15.33
Term Loan 162	Sponsor Bank	November 02, 2018	10	TL at MCLR	50.00	1.55
2) Working Capital from Canara Bank	Sponsor Bank	February 27, 2018	1	Over Draft facility	716.45	15.91
Working Capital from Canara Bank	Sponsor Bank	February 27, 2018	1	Over Draft facility	111.06	3.07
Total					**3327.51**	**199.76**

*(other terms & conditions as per respective agreement)

Nature of Contract	Nature of relationship	Date of Sanction	Tenure (years)	Salient Terms *	Outstanding Amount (in ₹ Crore)
1) Deposit with Canara Bank					
0684.302.216/58	Sponsor Bank	June 28, 2017	1	Fixed Deposit at 6.90%	0.00
0684.302.216/59	Sponsor Bank	July 03, 2017	1	Fixed Deposit at 6.75%	0.00
0684.302.216/60	Sponsor Bank	July 03, 2017	1	Fixed Deposit at 6.75%	0.00
0684.302.216/61	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/62	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/63	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/64	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/65	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/66	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/67	Sponsor Bank	July 30, 2017	1	Fixed Deposit at 6.65%	0.00
0684.302.216/68	Sponsor Bank	August 21, 2017	1	Fixed Deposit at 6.75%	0.00
0684.302.216/69	Sponsor Bank	August 21, 2017	1	Fixed Deposit at 6.75%	0.00
0684.302.216/72	Sponsor Bank	September 30, 2017	1	Fixed Deposit at 6.50%	0.00
0684.302.216/73	Sponsor Bank	September 30, 2017	1	Fixed Deposit at 6.50%	0.00
0684.302.216/74	Sponsor Bank	February 25, 2018	1	Fixed Deposit at 6.50%	0.00
0684.302.216/75	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/9	Sponsor Bank	February 10, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/10	Sponsor Bank	March 28, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/11	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/12	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/13	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.90%	0.00
0684.401.2868/14	Sponsor Bank	August 28, 2017	1	Fixed Deposit at 6.75%	0.00
0684.401.2868/15	Sponsor Bank	August 28, 2017	1	Fixed Deposit at 6.75%	0.00
0684.401.2868/16	Sponsor Bank	February 10, 2018	1	Fixed Deposit at 6.50%	0.00
0684.401.2868/17	Sponsor Bank	March 28, 2018	1	Fixed Deposit at 6.50%	0.00
0684.401.2868/18	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.50%	0.00
0684.401.2868/19	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.50%	0.00
0684.401.2868/20	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.50%	0.00
26733.200.149/11	Sponsor Bank	January 28, 2018	1	Fixed Deposit at 6.50%	0.00
26733.200.149/10	Sponsor Bank	December 31, 2017	1	Fixed Deposit at 6.50%	0.00
26733.200.149/9	Sponsor Bank	December 31, 2017	1	Fixed Deposit at 6.50%	0.00
26733.200.149/12	Sponsor Bank	December 31, 2018	1	Fixed Deposit at 7.00%	0.50
26733.200.149/13	Sponsor Bank	December 31, 2018	1	Fixed Deposit at 7.00%	0.50
26733.200.149/14	Sponsor Bank	January 28, 2019	1	Fixed Deposit at 7.00%	0.70
6843.200.216/90	Sponsor Bank	February 25, 2019	1	Fixed Deposit at 7.00%	0.55
6843.200.216/75	Sponsor Bank	March 31, 2018	1	Fixed Deposit at 6.50%	0.75
6843.200.216/76	Sponsor Bank	June 28, 2018	1	Fixed Deposit at 6.50%	0.20

Nature of Contract	Nature of relationship	Date of Sanction	Tenure (years)	Salient Terms *	Outstanding Amount (in ₹ Crore)
6843.200.216/77	Sponsor Bank	July 03, 2018	1	Fixed Deposit at 6.50%	0.50
6843.020.0216/78	Sponsor Bank	July 03, 2018	1	Fixed Deposit at 6.50%	0.50
6843.020.0216/79	Sponsor Bank	August 21, 2018	1	Fixed Deposit at 6.70%	0.50
6843.020.0216/80	Sponsor Bank	August 21, 2018	1	Fixed Deposit at 6.70%	0.50
6843.020.0216/81	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.50
6843.020.0216/82	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.90
6843.020.0216/83	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.90
6843.020.0216/84	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.90
6843.020.0216/85	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.90
6843.020.0216/86	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.90
6843.020.0216/87	Sponsor Bank	August 30, 2018	1	Fixed Deposit at 7.00%	0.50
6843.020.0216/88	Sponsor Bank	September 30, 2018	1	Fixed Deposit at 6.70%	0.70
6843.020.0216/89	Sponsor Bank	September 30, 2018	1	Fixed Deposit at 6.70%	0.75
0684.020.0216/21	Sponsor Bank	August 28, 2018	1	Fixed Deposit at 6.70%	0.55
0684.020.0216/22	Sponsor Bank	August 28, 2018	1	Fixed Deposit at 7.00%	0.55
0684.010.2868/23	Sponsor Bank	February 10, 2019	1	Fixed Deposit at 6.50%	1.12
0684.010.2868/24	Sponsor Bank	March 28, 2019	1	Fixed Deposit at 7.00%	0.45
0684.010.2868/25	Sponsor Bank	March 31, 2019	1	Fixed Deposit at 7.00%	0.85
0684.010.2868/26	Sponsor Bank	March 31, 2019	1	Fixed Deposit at 7.00%	0.85
0684.010.2868/27	Sponsor Bank	March 31, 2019	1	Fixed Deposit at 7.00%	0.56
0684.860.0012/1	Sponsor Bank	March 30, 2019	10 days	Fixed Deposit at 6.00%	400.00
Total					**417.08**

Nature of Contract	Nature of relationship	Duration of Contract	Salient terms	Outstanding Amount (in ₹ Crore)
2) Total Interest earned on Canara Bank Deposit				**1.25**
Rent paid to Canara Bank	Sponsor Bank	On going	Rent for Premises of Branches at Noida, Chennai, New Delhi, NCR-Pitampura and Mangalore	0.62
Bank charges paid to Canara Bank	Sponsor Bank	On going	As per norms	0.22
Salary of Managing Director/s paid to Canara Bank	Sponsor Bank	On going	As per norms	0.45
Sitting Fees of Directors paid to Canara Bank	Sponsor Bank	On going	As per norms	0.05
Commission received	Sponsor Bank	One time		0.80
Registrar & Transfer Agency charges paid to Canbank Computer Services Ltd	Subsidiary of Sponsor Bank	3 years	As per the R&T agreement	0.14
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank Employee Pension Fund	Pension Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	10.00 Interest 1.53
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank staff Provident Fund	Pension Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	40.00 Interest 3.07
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank Employee Gratuity Fund	Pension Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	10.00 Interest 0.76
Other Payments to Canara Bank	Sponsor Bank	On going	As per norms	0.05
Remuneration to KMPs	KMP's of the Company	On going	As per norms	0.43

Appropriate approvals have been taken for related party transactions u/s 188 of Companies Act, 2013 at the 31st AGM of the Company held on July 18, 2018 & approvals of Audit committee & Board of Directors as required under listing agreements/SEBI (LODR) regulations 2015 & Companies Act 2013. Advances paid have been adjusted against billings wherever applicable

Place: Bengaluru
Date : April 30, 2019

Sd/-
Atanu Bagchi
Deputy General Manager & CFO

Sd/-
S K Hota
Managing Director

Sd/-
Bharati Rao
Chairperson

Annexure 8

EXTRACT OF ANNUAL RETURN

(Form No. MGT - 9)

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L85110KA1987PLC008699
ii.	Registration Date	October 29, 1987
iii.	Name of the Company	CAN FIN HOMES LTD
iv.	Category/Sub-Category of the Company	Financial Institution – Housing Finance
v.	Address of the Registered office and contact details	No.29/1, 1st Floor, Sir M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi Bengaluru – 560 004, Karnataka
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Canbank Computer Services Ltd. Unit: Can Fin Homes Ltd., R&T Centre No.218, J P Royale, 1st Floor, 2nd Main, Sampige Road, (Near 14th Cross), Malleshwaram, Bengaluru – 560 003. Contact Person: Shri A.Ravi, Manager Tel:080-23469661/662/664/665 e-mail: ravi@ccsl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Housing Loans	64192	89.50%
2.	Non housing	---	10.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
2.			Nil		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year – March 31, 2018				No. of Shares held at the end of the year- March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	--	--	--	--	--	--	--	--	--
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	--	--	--	--	--	--	--	--
e) Banks / FI	39930365	--	39930365	29.99	39930365	--	39930365	29.99	--
f) Any Other (Promoter Group)	--	--	--	--	--	--	--	--	--
Sub-total(A)(1):-	**39930365**	**--**	**39930365**	**29.99**	**39930365**	**--**	**39930365**	**29.99**	**--**
2) Foreign	--	--	--	--	--	--	--	--	--
g) NRIs-Individuals	--	--	--	--	--	--	--	--	--
h) Other-Individuals	--	--	--	--	--	--	--	--	--
i) Bodies Corp.	--	--	--	--	--	--	--	--	--
j) Banks / FI	--	--	--	--	--	--	--	--	--
k) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total(A)(2):-	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**39930365**	**--**	**39930365**	**29.99**	**39930365**	**--**	**39930365**	**29.99**	**--**
B. Public Shareholding	--	--	--	--	--	--	--	--	--
1. Institutions	--	--	--	--	--	--	--	--	--
a) Mutual Funds	3991414	1000	3992414	3.00	3785280	1000	3786280	2.85	(0.15)
b) Banks / FI	110886	--	110886	0.08	1023579	--	1023579	0.77	0.69
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	191278	--	191278	0.14	0.14
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
(i) Foreign Financial Institutions	--	2000	2000	0.00	--	2000	2000	0.00	--
Sub-total(B)(1)	**4102300**	**3000**	**4105300**	**3.08**	**5000137**	**3000**	**5003137**	**3.76**	**0.67**

Category of Shareholders	No. of Shares held at the beginning of the year – March 31, 2018				No. of Shares held at the end of the year- March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non Institutions									
a) Bodies Corp. i) Indian ii) Overseas	20816970	45000	20861970	15.67	19408810	44500	19453310	14.61	(1.06)
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹2 Lakh	29186877	3030385	32217262	24.19	29648221	2331296	31979517	24.00	(0.19)
(ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakh	7358952	--	7358952	5.52	7930323	--	7930323	5.96	0.44
c) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
d) Others(Specify)									
i) Non-Resident Indians	1958307	10000	1968307	1.48	1658806	--	1658806	1.25	(0.23)
ii) Clearing Members	794138	--	794138	0.60	882652	--	882652	0.66	0.06
iii) Hindu Undivided Families	982140	--	982140	0.74	728657	--	728657	0.55	(0.19)
iv) Employee Shareholders	7300	18385	25685	0.02	13360	8330	21690	0.02	--
v) Director & their relatives	--	--	--	--	--	--	--	--	--
vi) Custodian	-	--	--	--	--	--	--	--	
vii) Trusts	13256	--	--	0.01	24841	--	24841	0.02	0.01
viii) Foreign Corporate Bodies	24648700	--	26468700	18.51	25288027	--	25288027	18.99	0.48
iX) Foreign National/ Individual	--	--	--	--	--	--	--	--	--
x) IEPF Authority	248050	--	248050	0.19	252800	--	252800	0.19	--
Sub-total(B)(2)	**86014690**	**3103770**	**89118460**	**66.93**	**85836497**	**2384126**	**88220623**	**66.25**	**(0.68)**
Total Public Shareholding (B)=(B)(1)+(B) (2)	**90116990**	**3106770**	**93223760**	**70.01**	**90836634**	**2387126**	**93223760**	**70.01**	**--**
C. Shares held by Custodian for GDRs&ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	**130047355**	**3106770**	**133154125**	**100.00**	**130766999**	**2387126**	**133154125**	**100.00**	**--**

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Canara Bank	39930365	29.99	--	39930365	29.99	--	--
	Total	39930365	29.99	--	39930365	29.99	--	--

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	39930365	29.99		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): No Change	--	--	39930365	29.99
	At the End of the year	39930365	29.99	39930365	29.99

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters, Holders of GDRs and ADRs)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	**CALADIUM INVESTMENT PTE LTD.**				
	At the beginning of the year	17904245	13.45		
	Date wise Increase / Decrease in Shareholding during the year: No Change April 01, 2018 to March 31, 2019	--	--	17904245	13.45
	At the End of the year			17904245	13.45
2	**CHHATTISGARH INVESTMENTS LIMITED**				
	At the beginning of the year	12873055	9.67		
	Date wise Increase / Decrease in Shareholding during the year: Sale From April 01, 2018 to March 31, 2019	(893644)	(0.67)	11979411	9.00
	At the End of the year			11979411	9.00
3	**NITIN RAOJIBHAI DESAI**				
	At the beginning of the year	2156600	1.62		
	Date wise Increase / Decrease in Shareholding during the year: No Change From April 01, 2018 to March 31, 2019	--	--	2156600	1.62
	At the End of the year			2156600	1.62
4	**APAX GLOBAL ALPHA LIMITED**				
	At the beginning of the year	0	0		
	Date wise Increase / Decrease in Shareholding during the year: Purchase From April 01, 2018 to March 31, 2019	1532000	1.15	1532000	1.15
	At the End of the year			1532000	1.15

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	SARDA ENERGY AND MINERALS LIMITED				
	At the beginning of the year	1500000	1.13		
	Date wise Increase / Decrease in Shareholding during the year: No Change From April 01, 2018 to March 31, 2019	--	--	1500000	1.13
	At the End of the year			1500000	1.13
6	AADI FINANCIAL ADVISORS LLP				
	At the beginning of the year	0	0.00		
	Date wise Increase / Decrease in Shareholding during the year: Purchase From April 01, 2018 to March 31, 2019	1302195	0.98	1302195	0.98
	At the End of the year			1302195	0.98
7	AKASH BHANSHALI				
	At the beginning of the year	0	0.00		
	Date wise Increase / Decrease in Shareholding during the year: Purchase From April 01, 2018 to March 31, 2019	1193392	0.90	1193392	0.90
	At the End of the year			1193392	0.90
8	MOTILAL OSWAL FOCUSED EMERGENCE FUND				
	At the beginning of the year	800000	0.60		
	Increase / Decrease in Shareholding during the year: Purchase From April 01, 2018 to March 31, 2019	363600	0.27	1163600	0.87
	At the End of the year			1163600	0.87
9	GHANSHYAMDAS MUNDRA				
	At the beginning of the year	9999070	0.75		
	Date wise Increase / Decrease in Shareholding during the year: No Change From April 01, 2018 to March 31, 2019			9999070	0.75
	At the End of the year			9999070	0.75
10	STATE BANK OF INDIA				
	At the beginning of the year	0	0.00		
	Date wise Increase / Decrease in Shareholding during the year: Purchase From April 01, 2018 to March 31, 2019	752000	0.56	752000	0.56
	At the End of the year			752000	0.56

P.S: The percentage of shareholding is calculated on the paid-up share capital.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	NIL				

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured loans excluding deposits	Unsecured loans excluding deposits	Deposits	Total
Opening Balance				
Principal	101,453,635,817	35,473,572,626	2,282,997,805	139,210,206,248
interest due but not paid	-	-	-	-
Interest accrued but not due for payment	442,622,904	125,440,617		568,063,521
Total	**101,896,258,721**	**35,599,013,243**	**2,282,997,805**	**139,778,269,769**
Change in indebtedness			-	-
Addition	47,550,000,000	98,300,000,000	2,602,790,646	145,850,000,000
Reduction	19,939,669,400	98,168,086,079	2,274,840,604	118,107,755,480
Net Change	**27,610,330,599**	**131,913,920**	**327,950,042**	**27,742,244,519**
Closing Balance				-
principal	128,756,482,220	35,576,938,274	2,610,947,847	166,944,368,341
interest due but not paid	-	-	-	-
Interest accrued but not due for payment	1,827,339,342	29,146,586	-	1,856,485,928
Total	**130,583,821,562**	**35,606,084,860**	**2,610,947,847**	**168,800,854,269**

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		S.K.Hota Managing Director	Shreekant M Bhandiwad Dy. Managing Director	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17,95,544	15,29,621	33,25,165
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act,1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission -as% of profit -others, Incentive	3,60,083	3,06,066	6,66,149
5	Others (Company's contribution to PF)	1,01,364	86,117	1,87,481
	Total (A)	**22,56,991**	**19,21,804**	**41,78,795**
	Ceiling as per the Act			**2,96,73,690**

P.S.: Re-imbursement of salary to Canara Bank for the year ended March 31, 2019.

B. Remuneration to other Directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Directors					Total Amount
		T V Rao	K N Prithviraj	G Naganathan	Bharati Rao	Yeluri Vijayanand	
	Independent Directors						
	Fee for attending board and committee meetings	1,20,000	40,000	5,90,000	5,55,000	3,95,000	--
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (1)	**1,20,000**	**40,000**	**5,90,000**	**5,55,000**	**3,95,000**	**17,00,000**
	Other Non-Executive Directors	**S A Kadur**	**P V Bharathi**	**S Subramanian**	**Debashish Mukherjee**	**--**	**--**
	• Fee for attending board and committee meetings	90,000	2,65,000	1,55,000	30,000	--	--
	• Commission	--	--	--	--	--	--
	• Others, please specify	--	--	--	--	--	--
	Total (2)	**90,000**	**2,65,000**	**1,55,000**	**30,000**	**--**	**5,40,000**
	Total (B)=(1+2)						**22,40,000**
	Total Managerial Remuneration	**--**	**--**	**--**	**--**	**--**	**22,40,000**
	Overall Ceiling as per the Act	--	--	--			**3,26,41,059**

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Director and/or Manager

(Amount in ₹)

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Shamila M General Manager	Atanu Bagchi DGM and CFO	Veena G Kamath AGM and CS	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15,07,057	13,55,402	13,10,907	41,73,366
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	3,208	--	3,208
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as% of profit - others, Incentive/LFC	50,000	60,000	60,000	1,70,000
5	Others (Company's contribution to PF)	1,37,292	1,31,496	1,14,061	3,83,486
	Total	**16,94,986**	**15,50,106**	**14,84,968**	**47,30,060**

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishments/compounding of offences for the year ending March 31, 2019

Place: Bengaluru
Date : May 22, 2019

Sd/-
Veena G Kamath
Company Secretary

Sd/-
S K Hota
Managing Director

Sd/-
Bharati Rao
Chairperson

Annexure 9

CORPORATE POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 our Company has formulated certain policies and such policies are available on our website viz., https://www.canfinhomes.com/ The policies are reviewed periodically by the Committees of the Board and modifications, if any, based on need and change in applicable laws, are approved by the Board. The list of such policies with their web links is as follows:

Name of the policy	Brief description & Web link
Nomination & Remuneration Policy	This policy formulates for selection and to identify persons who are qualified to become Directors of the Company and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees. https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-120419.pdf
Dividend Distribution Policy	The policy provides the framework of the Company in relation to the calculation, declaration and settlement of the dividends and the determination of the form and time periods within which Dividends are paid. https://www.canfinhomes.com/pdf/Dividend-Distribution-Policy-120419.pdf
Related Party Transactions Policy	The policy regulates all the transactions between the Company and its related parties. https://www.canfinhomes.com/pdf/Related-Party-Transactions-Policy-of-the-Company-120419.pdf
Whistle Blower Policy	The Company has adopted a whistle-blower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. https://www.canfinhomes.com/pdf/Whistle-Blower-Policy-120419.pdf
CSR Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good. https://www.canfinhomes.com/pdf/CSR-Policy-120419.pdf
Policy for determining Materiality for Disclosures	This policy provides for the material events requiring disclosures, mandatory as well as based on the decision as to the materiality for disclosure to stock exchanges as well as on the website of the Company in terms of Reg.30 of SEBI (LODR) Regulations, 2015. https://www.canfinhomes.com/pdf/Disclosure-of-material-events-or-information-120419.pdf
Familiarisation Policy	This policy is aimed at familiarising the Independent Directors with the Company, their roles, rights, responsibilities, nature of the Industry in which the Company operates, business model of the Company, apprise them of the change in the applicable laws and regulations from time to time etc. through various familiarisation programs, presentations and informatory notes. https://www.canfinhomes.com/pdf/Familiarisation-Policy-120419.pdf

Name of the policy	Brief description & Web link
Archival Policy	The provisions of Archival policy defines the time period for which material events / information shall continue to be hosted on the website of the Company & the status thereafter. https://www.canfinhomes.com/pdf/Archival-Policy-120419.pdf
Code of Conduct for Directors, Independent Directors and Senior Management	The Company has adopted the Code of Conduct and ethics for Directors, Independent Directors and Senior Management Personnel. https://www.canfinhomes.com/pdf/Code-Of-Conduct-for-Directors-120419.pdf https://www.canfinhomes.com/pdf/Code-Of-Conduct-for-Independent-Directors-120419.pdf https://www.canfinhomes.com/pdf/Code-Of-Conduct-for-Senior-Management-Personnel-120419.pdf
Code of Fair Disclosure	The purpose of this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is to clearly outline the procedures and practical guidelines that would be followed by the Company for transparent, regular, consistent and timely public disclosure and dissemination of unpublished price sensitive information. https://www.canfinhomes.com/pdf/Code-of-PIT-and-Disclosure-120419.pdf

* P. S The Company has revamped its website w.e.f. April 13, 2019

Report of Directors on Corporate Governance

Corporate Governance is a set of systems and practices ensuring commitment to values, compliance of statutory regulations, political and economic environments, ethical conduct of business, accountability, transparency, voluntary practices, disclosures and acceptance by management of the inalienable rights of shareholders as the true owners of the Company. It involves relationships between the management, the Board of directors and all its stakeholders.

Good Corporate Governance is ensured by taking fair and ethical business decisions and also conducting business taking into account the stakeholders' interests. Corporate Governance is the key to the integrity of corporations, financial institutions and markets.

The corporate governance arrangements are those through which an organisation directs and controls itself and the people associated with it by establishing standards and codes of conduct. Good Corporate Governance is a way of life that necessitates taking into account the stakeholders interests in every business decision.

1. Company's Philosophy on Code of Governance

The Company, the Board, the promoters and the employees have embraced statutory and regulatory changes towards strengthening corporate governance. The Company's corporate governance philosophy encompasses enhancement of value for all stakeholders. The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosure requirements mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter collectively referred to as "the Listing Regulations") as applicable and looks at corporate governance as a part of its business. It also adheres to the applicable provisions under the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.

The Company has a strong commitment to the principles that underline the effective corporate Governance. The Company's Board oversees how the management serves and protects the long-term interests of the stakeholders. Over more than three decades, the Company has put in place the best practices for the timely, adequate, explicit and accurate disclosure of information on Company's financials, performance, governance and other related matters.

Your Company has been responsive to its stakeholders and striving to provide equal, timely and cost efficient access to relevant information to all, with whom it has business relations.

The Board has a set policy on Corporate Governance to help fulfil Company's corporate responsibility towards its stakeholders. The Board, at the discretion, may change the policy or guidelines periodically to achieve our stated objectives. Further, these guidelines allow the Board to make decisions that are independent of the management. The policy is available on the website of the Company at the link https://www.canfinhomes.com/pdf/Corporate-Governance-Policy-120419.pdf

Your Company has built confidence amongst the stakeholders all these years by adherence to the standards and principles of corporate governance, compliance with statutory and regulatory directions/guidelines, and by its determination to achieve higher levels of excellence in the areas of meeting stakeholder expectations, customer satisfaction, employee welfare and its obligations towards the society.

Your Company strives to achieve the objectives of the principles to protect and facilitate the exercise of the rights of its shareholders like right to be informed of the changes, effective participation & vote in general meetings, adequate mechanism to address the grievances of the shareholders, stakeholders, etc., and provide timely and adequate information to shareholders, equitable treatment, etc. Your Company respects the rights of its stakeholders.

The directors are pleased to present this report on the Corporate Governance practices followed in your Company.

2. Board of Directors

The Board consists of seven members with an optimum combination of executive, non-executive directors and independent directors including 1 woman director. The Board of Directors comprises of 7 Directors, out of which 2 are Executive and 5 are Non- Executive Directors, which includes 3 Independent Directors. The Chairperson of the Board is a Non - Executive Independent Director. The Directors of your Company are persons of integrity and bring to the Board a wide range of knowledge, experience, diversity of thought and skills. The Directors are professionals in their niche areas and persons of eminence with vast experience in the fields of banking, housing finance, audit, management, HR, risk management, resources,

law and other relevant areas. The Board Diversity Policy forms part of the Nomination Remuneration and HR Policy of the Company, which is available on the website of the Company at the link https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-120419.pdf

(i) Role of the Board of Directors

The Board effectively carries out its responsibilities like providing strategic guidance to the Company, code of conduct for the executives, disclosure of information about their concerns and interests, adherence to the Code of Conduct etc. The Board applies high ethical standards and acts with due diligence and care in the best interest of the Company and its stakeholders. The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.

The Board fulfils its other key functions like reviewing the corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, etc. The Board also monitors and reviews the effectiveness of the Company's governance practices, succession plan, ensuring integrity of the Company's accounting and financial reporting systems, independent audits, systems of risk management, financial and operational control, compliance with the law and relevant standards and such other responsibilities as expected by the regulatory authorities.

(ii) Composition of the Board and Category of Directors

Sl. No.	Name of the Director	Age	DIN	Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee etc.	No. of shares held by the Directors as at March 31, 2019#
1	Smt Bharati Rao, Chairperson	70	01892516	Independent Non-Executive	Nil
2	Shri S K Hota, Managing Director	52	07491088	Promoter & Executive	Nil
3	Shri Debashish Mukherjee	53	08193978	Promoter & Non-Executive	Nil
4	Shri G Naganathan, FCA	56	00423686	Independent Non-Executive	Nil
5	Shri Shreekant M Bhandiwad	49	08120906	Promoter & Executive	Nil
6	Dr. Yeluri Vijayanand	71	00594503	Independent Non-Executive	Nil
7	Shri S Subramanian	58	07901414	Promoter & Non-Executive	Nil

No. of Shares of Can Fin Homes Ltd.

- The tenure of the Office of Shri K N Prithviraj (DIN:00115317), the Non-Executive Independent Director and Chairperson of the Board and Shri T V Rao (DIN:05273533), the Non-Executive Independent Director of the Company was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.
- Shri S A Kadur (DIN:06426985), Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018. In pursuance of the same, he has tendered his resignation as Director (Non-executive Promoter Director) of our Company and the written notice of the same is received on October 1, 2018.
- Smt P V Bharathi (DIN 06519925), Non-executive Promoter Director of our Company has resigned from the Board of our Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.

The Chairperson of the Board Smt Bharati Rao is an Independent Non-Executive Chairperson. Shri S K Hota is the Managing Director (Promoter & Executive Director) of the Company since May 19, 2016. Shri Shreekant M Bhandiwad is the Dy. Managing Director (Promoter & Executive Director) of the Company since April 28, 2018. Shri Debashish Mukherjee and Shri S Subramanian are Non-Executive Promoter Directors. Shri G Naganathan and Dr. Yeluri Vijayanand are the Independent Non-Executive Directors on the Board.

The appointments, re-appointments, resignations etc., of the directors are covered separately in this report.

The composition of the Board is as specified in Regulation 17(1), 17(1A) & 17(1B) of SEBI (Listing Obligation & Disclosure

Requirements) Regulations, 2015 and also as required under Chapter XI of the Companies Act, 2013.

The Non-Executive Directors are eligible for sitting fees for attending the meetings of the Board and Committees, within the limits prescribed under the Companies Act, 2013.

(iii) Disclosure of relationships between directors inter-se ;

None of the Board of Directors are related inter-se. However, Shri Debashish Mukherjee is an Executive Director of Canara Bank; Shri S Subramanian and Shri S K Hota are General Managers in Canara Bank; and Shri Shreekant M Bhandiwad is Dy. General Manager in Canara Bank, the promoter of the Company.

(iv) Attendance of each Director etc.

The details of the Board of Directors in terms of their attendance, number of meetings attended/held during the financial year ended March 31, 2019, sitting fees paid and their attendance at the AGM are as under:

Name of the Director	Board Meetings attended/ held during their tenure in CFHL	Sitting Fee Paid (₹)	Attendance at the last Annual General Meeting held on July 18, 2018
Smt Bharati Rao, Chairperson	9/10	2,25,000	Attended
Shri S K Hota, Managing Director	10/10	NA	Attended
Shri G Naganathan, FCA	10/10	2,30,000	Attended
Shri Shreekant M Bhandiwad	9/10	NA	Attended
Smt P V Bharathi	7/8	1,50,000#	Attended[$]
Dr. Yeluri Vijayanand	7/7	1,70,000	Not Applicable[@]
Shri S Subramanian	5/5	1,30,000#	Not Applicable*
Shri S A Kadur	3/4	60,000#	Attended[%]
Shri K N Prithviraj, Former Chairperson	2/2	40,000	Attended[^]
Shri T V Rao	2/2	40,000	Attended[-]
Shri Debashish Mukherjee	1/2	30,000#	Not Applicable**

$ Smt P V Bharathi (DIN 06519925), Non-executive Promoter Director of our Company has resigned from the Board of our Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.

@ Appointed as an Additional Director (Independent) on Board w.e.f August 29, 2018.

* Appointed as an Additional Director (Promoter) on Board w.e.f October 06, 2018.

% Shri S A Kadur (DIN:06426985), Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018. In pursuance of the same, he has tendered his resignation as Director (Non-executive Promoter Director) of our Company and the written notice of the same is received on October 01, 2018.

^ The tenure of the Office of Shri K N Prithviraj (DIN:00115317), the Non-Executive Independent Director and Chairperson of the Board, was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

- The tenure of the Office of Shri T V Rao (DIN:05273533), the Non-Executive Independent Director of the Company was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

** Appointed as an Additional Director (Promoter) on Board w.e.f March 12, 2019.

Sitting fee paid to Canara Bank.

(v) Skills / Expertise / Competencies of the Board of Directors

The Board of our Company comprises of qualified members who bring along a plethora of required skills, competence and expertise to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key competencies, skills and attributes which are taken into consideration while nominating Directors to serve on the Board.

Knowledge of housing finance business and about the Company	Knowledge on Company's business, policies and culture (including the Vision, Mission and Values), strengths & weaknesses, major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.	All the Directors possess the knowledge of the industry and business.
Financial Skills	Management of the finance function of a company, financial management, capital allocation, financial reporting processes, or experience in supervising finance, accounts, taxation and audit.	One of the Directors is a Chartered Accountant and the remaining directors are veteran bankers and aware of financial, accounting and audit matters.
Leadership, Behavioural skills & HR Management	Leadership experience in reputed banks, practical understanding of organization, processes, strategic planning, risk management and change management.	Most of our Directors have decades of experience in the Banking industry and exposed to these managerial traits. They have managed diverse HR issues.
Global business	Experience in driving business in markets around the world, understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.	All directors have exposure to diverse business and global market environment.
Business Strategy & Sales and marketing	Experience in developing strategies to grow sales and acquiring market share, build brand awareness and equity, and enhance enterprise reputation.	All the directors possess attributes to drive growth and brand building.
Knowledge of IT and IT Security	Knowledge of technology, how to anticipate technological trends, resolving security issues, adapt to technological innovations suiting the business model.	All directors are well aware of the IT and IT security required for the business model of the Company.
Gender, ethnic, national, or other diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders.	All the Directors understand the need and importance of diverse skills for the betterment of stakeholders.

(vi) Number of Directorships and Memberships in Committees etc. as on March 31, 2019.

None of the Directors hold office in more than ten Public Companies in terms of Sec 165 of Companies Act, 2013. All Directors are also in compliance with the limit of Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. None of the Directors on the Board is a member of more than ten Committees or Chairperson of five Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the listed entities in which he/she is a Director[Reg.26 of the said regulations]. Necessary disclosures regarding their Committee positions have been made by all the Directors.

The details of the Board of Directors in terms of their directorships held in listed companies, category of directorship and their memberships/ Chairmanships in Audit Committee (AC) and Stakeholders Relationship Committee (SRC) are as under:

Name of the Director	Total Directorships in Listed Companies (including CFHL)	Name of the Listed Companies	Category of Directorship	*Membership of AC & SRC in public limited companies (including CFHL)	Chairperson of AC & SRC Committees in public companies
Smt Bharati Rao, Chairperson (Independent)	4	Can Fin Homes Limited	Independent Non-Executive	6	1
		Cholamandam Investment & Finance Company Limited	Independent Non-Executive		
		Carborundum Universal Limited	Independent Non-Executive		
		Neuland Laboratories Limited	Independent Non-Executive		
Shri S K Hota, Managing Director	1	Can Fin Homes Limited	Promoter & Executive	1	Nil
Shri Debashish Mukherjee	2	Can Fin Homes Limited	Promoter & Non-Executive	1	Nil
		Canara Bank	Executive Director		
Shri G Naganathan, FCA	1	Can Fin Homes Limited	Independent Non-Executive	2	1
Shri Shreekant M Bhandiwad	1	Can Fin Homes Limited	Promoter & Executive	Nil	Nil
Dr. Yeluri Vijayanand	1	Can Fin Homes Limited	Independent Non-Executive	2	1
Shri S Subramanian	1	Can Fin Homes Limited	Promoter & Non-Executive	1	Nil

*Total membership includes Chairmanship.

- Smt Bharati Rao (Independent Non-Executive Director), has been elected on the Board of Suprajit Engineering Limited w.e.f April 01, 2019.

(vii) Number of meetings of Board of Directors

The Board meets at least once in a quarter to review the quarterly performance and financial results of the Company. Apart from the scheduled Board Meetings, additional Board Meetings are also convened to ensure smooth operations of the Company.

The agenda, Board notes, including explanatory notes are circulated to all the directors well in advance. Depending upon the need, executives of the Company and senior management are invited to the meetings of the Board to provide additional inputs/ clarifications on the subject being discussed by the Board.

The decisions taken on the agenda are promptly communicated to the concerned departments. The Action Taken Report (ATR) on the decisions of the previous meetings is placed at the succeeding meeting of the Board for review/noting. A similar procedure is followed for each meeting of the Board committees.

The Board of Directors of your Company met 10 times during the FY18-19: April 28, 2018, June 2, 2018, July 30, 2018, August 29, 2018, October 6, 2018, October 22, 2018, November 13, 2018, January 23, 2019, March 12, 2019 and March 29, 2019. The Board met on April 30, 2019 to approve the annual audited financial results of the Company for the year ended March 31, 2019.

The maximum interval between two meetings did not exceed the prescribed period of 120 days.

(viii) Board and Directors Evaluation and Criteria for Evaluation

During the year, the Board carried out an annual evaluation of its own performance and the performance of individual Directors as well as evaluation of Committees of the Board. Your Company has framed the evaluation formats considering the 'Guidance Note on Board Evaluation' prescribed by SEBI.

The Nomination, Remuneration and HR Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Board Evaluation include inter-alia, structure of the Board, qualifications, experience and competence of Directors, diversity in Board and process of appointment; meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and Management.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, sufficient knowledge, skills and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.), independence, guidance and support to management. In addition, the Chairperson is also evaluated on key aspects of his/her role, including effectiveness of leadership, professionalism and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairperson.

Criteria for evaluation of the Committees of the Board include mandate of the Committee, structure and composition; effectiveness of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and KMP's.

(ix) Independent Directors

Independent Directors play a key role in the decision-making process of the Board. They are committed to act in what they believe are in the best interests of the Company and oversee the performance of the management periodically. The Company and its Board benefits immensely from the in-depth knowledge, experience and expertise of its Independent Directors in achieving its desired level of business performance and good corporate governance.

The terms & conditions of their appointment are disclosed on the Company's website.

The Independent Directors have given a declaration to the Company as on March 31, 2019 confirming adherence to the code of conduct/ criteria of independence, directorships, etc. The Company has in place the evaluation criteria for performance evaluation of Independent Directors wherein their preparation, deliberations, effective participation, skills and knowledge to

discharge their duties as Independent Directors, etc. are rated by all the Directors (excluding the Director being evaluated).

Based on the disclosures received from all independent directors and also in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations and HFC's Corporate Governance (NHB) Directions, 2016 and are independent of the Management.

As per Regulations 25(10) of SEBI (LODR) Amendments Regulations, 2018, the Company has undertaken Directors and Officers Insurance (D&O insurance) for all Directors including independent directors of such quantum and for such risks as may be determined by its board of directors.

Meeting of Independent Directors:

Separate meeting of Independent Directors of the Company, without the presence of the Executive Directors & the management representatives, was held on March 11, 2019, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the listing regulations. Independent Directors meeting was also held on March 15, 2019 and March 16, 2019.

The Independent Directors at their meeting have reviewed, inter-alia, the performance of the Board as a whole, the Committees, the Managing Director, the non-independent directors and the Chairperson. They also assess the quality, quantity and timeliness of the flow of information from the Management to the Board. The evaluation formats of the Board, Committees and directors are prepared considering the guidance note on Board Evaluation vide SEBI Circular No.SEBI/ HO/CFD/ CMD/P/2017/004 dated January 05, 2017.

(x) Appointment/ re-appointment/ resignation of Directors

Appointment/ re-appointment

The Board of Directors, has appointed Dr. Yeluri Vijayanand (DIN: 00594503) as an Additional Director w.e.f. August 29, 2018 for a tenure of 3 years upto the conclusion of the Annual General Meeting of the Company for the financial year 2020-21 pursuant to Section 149, 161 and all other applicable provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

The Board of Directors has appointed Shri Shankara Narayanan Subramanian (S Subramanian) (DIN: 07901414), General Manager of Canara Bank, as an Additional Director (Non-executive Promoter) on the Board of the Company w.e.f. October 06, 2018 pursuant to Sections 152, 160, 161, and all other applicable provisions of the Companies Act, 2013 and related rules.

During the financial year, the Board of Directors has also appointed Shri Debashish Mukherjee (DIN: 08193978), Executive Director of Canara Bank, as an Additional Director (Non-executive Promoter) on the Board of the Company w.e.f. March 12, 2019 pursuant to Sections 152, 160, 161, and all other applicable provisions of the Companies Act, 2013 and related rules.

Pursuant to the provisions of the Companies Act, 2013, Shri Shreekant M Bhandiwad, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Shri Shreekant M Bhandiwad, is the whole time Director of the Company designated as Deputy Managing Director since April 28, 2018.

The tenure of Shri G Naganathan is due to be completed on the conclusion of the ensuing Annual General Meeting of the Company. The Board has approved his re-appointment for a further tenure of three years until the conclusion of AGM of the Financial Year 2021-22.

The tenure of Shri S K Hota, Managing Director is extended by Canara Bank upto October 5, 2019. The Board has approved for re-appointment of Shri S K Hota, Managing Director for the said further tenure.

Brief profiles of all the Directors are provided in page 20 to 22 of this Annual Report.

Agenda relating to the appointment of Dr. Yeluri Vijayanand as Independent Director, appointment of Shri Debashish Mukherjee and Shri S Subramanian as Directors liable to retire by rotation and re-appointment of Shri G Naganthan as an Independent Director, Shri S M Bhandiwad as a Director (Whole-time Director)and extension of tenure of Shri S K Hota, Managing Director are forming part of the Notice of the ensuing Annual General Meeting. The further particulars of their Directorships are provided in the explanatory statement forming part of the Notice of the ensuing AGM. All the above appointments and re-appointments are recommended by Nomination Remuneration & HR Committee and by the Board of Directors.

All the Directors have filed their consents and declarations as required under the provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016.

Resignation/ retirement/ completion of tenure

The tenure of the Office of Shri K N Prithviraj, the Non-Executive Independent Director and Chairperson of the Board, and Shri T V Rao, the Non-Executive Independent Director of the Company was completed on conclusion of the 31st Annual

General Meeting of the Company held on July 18, 2018. Hence, ceased to be the director of the Company.

Shri S A Kadur, Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018. In pursuance of the same, he has tendered his resignation as Director of the Company and hence ceased to be the director of the Company w.e.f October 01, 2018.

Smt P V Bharathi, Director of the Company has resigned from the Board of the Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.

(xi) Responsibilities of the Board

The Board discharges its duties and responsibilities as required under various statutes applicable to the Company viz., the Companies Act, 2013, Guidelines/ Regulations/ Directions issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB), Insurance Regulatory & Development Authority of India (IRDAI) and such other Statutory and Regulatory Authorities, including reporting and disclosures to be made to the shareholders.

The Board reviews the legal compliance reports on a quarterly basis to ensure statutory/ regulatory compliances and also the steps taken for rectifying the instances of delayed compliances or non-compliances, if any.

The Board mainly oversees the Company's strategic direction, annual operating plans and budgets, capital budgets, financial results, minutes of the meetings of the committees, materially important notices, if any, compliance of regulatory and statutory requirements, performance review, assessment of the adequacy of risk- management and possible steps for mitigation of risks, assets and liabilities management, liquidity monitoring strategic investments and safeguarding the interests of all stakeholders.

The Board performs all its key functions and discharges its duties and responsibilities, as required under the SEBI regulations, Companies Act, NHB Directions and such other laws as applicable.

The Board has laid down the code of conduct for all its members, including independent directors and Senior Management personnel of the Company. It also evaluates the Independent Directors including the performance and fulfillment of criteria of independence.

The Board has empowered the senior management to implement its broad policies and guidelines including the succession plan for senior management and has set up adequate review mechanisms and processes.

The Nomination Remuneration and HR Policy, Related Party Transaction Policy, Code of Fair Disclosure, Familiarisation Policy, Corporate Governance Policy, Whistle blower Policy, Code of conduct for Directors/ Independent Directors, Policy on Disclosure of material events, Policy on prohibition of Insider Trading, Archival Policy, Dividend Distribution Policy, etc. are displayed on the Company's official website.

(xii) Familiarisation Programme

The Company has in place a system of conducting the familiarisation programme for Independent Directors, as per which the Independent Directors were familiarised with their roles, rights, responsibilities, nature and the business model of the Company, etc. The said policy and the details of the familiarisation programmes conducted during FY18-19 are placed on the website of the Company at https://www.canfinhomes.com/pdf/Familiarisation-Policy-120419.pdf.

All Directors, including Independent Directors, on induction will be apprised of the nature of industry and business model of the Company and the roles, rights, responsibilities in terms of Companies Act and related rules, SEBI LODR Regulations etc. Presentations on risk profile and risk management of the Company, internal and external audit plans, business and financial performance, updates on compliances, regulatory scenario and regulatory/ statutory changes which affect/ concern the Company, Company policies, internal controls, investor relations etc. were made at the various Committee/ Board Meetings of the Company.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations, performance updates of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan.

(xiii) Code of Conduct

For the year under review, all the Directors and Senior Management Personnel have affirmed compliance with the provisions of their Code of Conduct. A declaration from the Managing Director/ CEO of the Company is placed as Annexure-1 to this Report.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, the Board has adopted the said Code and all the Independent Directors have affirmed that they shall abide by the said Code. The Code of Conduct of Board of Directors, Independent Directors and Management Personnel are made available in the Company's official website.

In terms of the HFCs Corporate Governance (NHB) Directions, 2016, all the Directors have executed the Declarations-cum-undertakings as well as the Deed of Covenants with the Company.

3. Committees of the Board

The Board has constituted seven Committees as of date viz. Audit Committee, Nomination Remuneration & HR Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Management Committee and IT Strategy Committee. In order to have a more focussed attention, the Board has delegated certain matters to the committees constituted by the Board with an outlined role, responsibility and with appropriate authority. The minutes of the meetings of all the committees are placed before the subsequent meeting of the Board for information.

(i) Audit Committee (AC)

The Audit Committee has been constituted by the Board in compliance with the requirements of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations. The qualified and independent Audit Committee of the Board has been exercising its powers and responsibilities judiciously. The Committee has four experienced and learned members of which three members including the Chairperson of the Committee, are Independent Directors.

(a) Brief description of terms of reference

The terms of reference of the Audit Committee inter-alia include:

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible; recommendation for appointment, remuneration and terms of appointment of auditors of the Company; recommendations for fixation of fee to statutory auditors for their services; reviews, with the management, the quarterly and annual financial statements and limited review/ auditor's report thereon including report on adequacy of internal financial control before submission to the Board for approval, reviews and monitors the auditor's independence and performance and effectiveness of audit process.

The Audit Committee also reviews the matters required to be included in the Directors' Responsibility Statement, to be included in the Board's report in terms of section 134(3)(c) of the Companies Act, 2013; Changes, if any, in accounting policies and practices and reasons for the same; Major accounting entries involving estimates based on the exercise of judgement by management; Adjustments, if any, made in the financial statements arising out of audit findings; Statement of uses / application of funds raised to ensure that the funds are utilized for purposes stated in the offer document; It also reviews the compliances with listing and other legal requirements relating to financial statements; Disclosure of any related party transactions; Opinion(s) in the draft audit report, if any; Scrutiny of inter-corporate loans and investments; Valuation of undertakings or assets of the Company wherever it is necessary; Evaluation of Internal Financial Controls and Risk Management systems; Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems; Reviewing the adequacy of Internal Audit function; Discussion with the Internal Auditors of any significant findings and follow up thereon; Review the functioning of the Whistle Blower Mechanism; Review the annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditors of the Company, till such time the full money raised through the issue has been fully utilized; Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Internal Audit

The Company has adequate internal control and Internal Audit System commensurate with the size and nature of its business. The internal audit plan is approved by the Audit Committee and the Internal Audit Report is presented to the Audit Committee for their consideration.

(c) Composition of the Audit Committee and other details:

During the year the Audit Committee met 5 times - on April 27, 2018, July 30, 2018, October 22, 2018, January 23, 2019 and March 11, 2019. The maximum interval between two meetings did not exceed 120 days as prescribed under Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. During the year, all recommendations of the Audit Committee have been accepted by the Board of Directors.

The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance and the sitting fee paid are mentioned hereunder:

Composition of the Audit Committee and other details:

Members	Number of meetings attended/ held during the year	Sitting Fees Paid (₹)
Shri G Naganathan, FCA, Chairperson (Independent Non-Executive)	5/5	70,000
Smt Bharati Rao, Member (Independent Non-Executive)	5/5	60,000
Dr. Yeluri Vijayanand, Member (Independent Non-Executive)*	3/3	40,000
Shri S Subramanian, Member (Promoter Non-Executive)@	2/3	25,000#
Shri S A Kadur ^	1/2	10,000#
Shri T V Rao$	1/1	10,000

* Appointed w.e.f August 29, 2018.

@ Apppointed w.e.f October 06, 2018.

Sitting fee paid to Canara Bank.

^ Shri S A Kadur (DIN:06426985), Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018.

$ Shri T V Rao (DIN:05273533) was the member of the Audit Committee till July 18, 2018 as his tenure of the Office was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

Shri G Naganathan, FCA, the Chairperson of the Committee was present at the 31st Annual General Meeting of the Company and answered shareholder's queries.

The Company Secretary is the Secretary to the Audit Committee.

(ii) Nomination Remuneration and HR Committee (NRC)

(a) Brief description of terms of reference:

The Nomination, Remuneration & HR Committee constituted by the Board in compliance with the requirements of Section 178 of the Companies Act and Regulation 19 of the SEBI (LODR) Regulations, comprise four Non-Executive Directors, of which three including the Chairperson are Independent Directors. The Board has authorised the Committee with clear roles and responsibilities in terms of the provisions of the Companies Act and rules made thereunder and also with those set out in the SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016, as amended from time to time. The Nomination and Remuneration policy of the Company, duly approved by the Board, covers the criteria for determining qualifications, positive attributes and independence of a Director, evaluation of Independent Directors and the Board, authorisation to identify persons who are qualified to become Directors, and who may be appointed in senior management, recommending to the Board their appointment/removal, all remuneration, in whatever form, payable to senior management and also the remuneration policy.

The NRC also reviews the HR matters. The NRC reviews the information, declarations and undertakings given by the existing and proposed Director(s) giving additional information in the prescribed format in terms of `Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016'. The NRC also ensures that the deeds of covenants are signed by the Directors in the format prescribed.

The Nomination Remuneration and HR Policy of the Company is available on the website of the Company https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-120419.pdf.

Nomination policy, among other things, includes:

i) Laying down the criteria which shall form the basis for enabling the Nomination Remuneration and HR Committee to identify persons who are qualified to become Directors of the Company, including Board Diversity. As per the Policy, the formulation of such criteria shall be aimed at determining qualifications, expertise, track record, integrity, positive attributes, independence of a Director and other `fit and proper' criteria at the time of appointment and on a continuing basis.

ii) Laying down the criteria which shall form the basis for enabling the Nomination Remuneration and HR committee to identify persons who may be appointed in the Senior Management of the Company.

iii) Evaluation of every Director's performance by NRC.

The Remuneration policy, among other things, covers:

I. Remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

II. The Remuneration to the employees of CFHL including the Senior Management Personnel in the form of incentives, performance-based incentives, viz. cash incentive, employee stock option scheme, ex-gratia, etc. either fixed or variable in nature, subject to statutory guidelines and Staff Service Regulations/ HR policies approved by the Board.

(b) Composition of the NRC Committee and other details :

During the year the NRC Committee met 10 times on April 28, 2018, June 13, 2018, August 18, 2018, September 17, 2018, October 06, 2018, November 13, 2018, January 23, 2019, February 09, 2019, February 15, 2019 and March 29, 2019. The particulars of members of the Committee, number of meetings attended/ held during the tenure of a particular director attendance of the members at the meetings and the sitting fee paid are mentioned here under;

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Dr. Yeluri Vijayanand, Chairperson (Independent Non-Executive)*	7/7	1,10,000
Smt Bharati Rao, Member (Independent Non-Executive)	9/10	1,10,000
Shri G Naganathan, Member (Independent Non-Executive)	10/10	1,20,000
Shri Debashish Mukherjee, Member(Promoter Non-Executive)**	-/1	Nil
Smt P V Bharathi	7/7	75,000#
Shri T V Rao	2/2	20,000

* Appointed w.e.f August 29, 2018.

** Appointed w.e.f March 12, 2019.

Sitting fee paid to Canara Bank.

- Smt Bharati Rao was the Chairperson of Nomination Remuneration & HR Committee till the conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.
- Smt P V Bharathi (DIN: 06519925), has resigned from the Board of our Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.
- Shri T V Rao (DIN:05273533) was the member of the NRC Committee till July 18, 2018 as his tenure of the Office was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

(c) Performance evaluation criteria for independent directors:

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation process, the Directors who are subject to evaluation had not participated.

The Company Secretary is the Secretary to the Nomination Remuneration and HR Committee.

(d) Remuneration of Directors

For the financial year ended March 31, 2019, except for the Managing Director and Dy. Managing Director, there were no other Executive Directors on the Board of the Company. The remuneration paid to the Managing Director and Dy. Managing Director was as approved by the members at the Annual General Meeting of the Company held in 2017 and 2018 respectively and the same were as per the Staff Service Regulations of Canara Bank as amended from time to time, within the limits prescribed under Schedule V of Companies Act, 2013.

The non-executive directors are eligible to receive sitting fee for attending the meetings and reimbursement of any out-of pocket expenses towards Boarding and lodging and transport/ conveyance etc. incurred, if any, for attending the meeting(s). **None of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or its Directors or its Senior Management.**

Disclosures with respect to remuneration of executive Directors [In terms of Schedule V of SEBI (LODR) Regulations, 2015]:

(i) All elements of remuneration package of individual directors are summarised under major groups, such as salary, benefits, bonus, pension etc.

Managing Director - Shri S K Hota: The remuneration package for FY19 includes; Salary ₹17,95,544/-; Incentive – ₹3,60,083/-; Provident Fund – ₹1,01,364/-.

Dy. Managing Director - Shri Shreekant M Bhandiwad: The remuneration package for FY19 includes; Salary – ₹15,29,621/-; Incentive – ₹3,06,066/-; Provident Fund – ₹86,117/-

(ii) Details of fixed component and performance linked incentives, alongwith the performance criteria: The performance linked incentive given to the executive directors for FY19 was ₹6,66,149/-. The criteria includes Qualitative and Quantitative parameters.

Quantitative: Fresh approvals, Disbursements, growth in loan book, NHL and Deposits, Gross NPAs, PAT, NIM, ROA & ROE.

Qualitative: Leadership & brand building, HR, IT initiatives, Customer Centricity, Adherence to KYC/AML guidelines, Prevention/ Detection of frauds, Quality of compliance of Inspection and Audit Reports.

(iii) Service contracts, notice period, severance fee: Not applicable.

(iv) Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

(e) Remuneration of Non- Executive Directors

The Non-Executive Directors of the Company were paid only the sitting fee of ₹10,000/- for Committees and ₹20,000/- for Board. Sitting fee has been revised with effect from January 23, 2019 i.e., ₹15,000 for meetings of Committees and ₹30,000 for meetings of Board and Chairing fee of ₹5,000 to the Chairperson of the Board or Committee. No other remuneration is being paid to them.

The Non-Executive Independent Directors of the Company have declared that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and that they will abide by the provisions specified in Schedule IV of the said Act.

(iii) Stakeholders' Relationship Committee (SRC)

(a) Brief description of terms of reference:

The terms of reference of the committee inter alia include review mechanism adopted by the Company for redressing the shareholder's complaints and review of the status of complaints of the stakeholders, if any.

The Stakeholders Relationship Committee has been constituted by the Board in compliance with the requirements of section 178 (5) of the Act and Regulation 20 of the SEBI (LODR) Regulations.

This Committee reviews/approves processes, standard operating procedures and initiatives undertaken by the Company relating to investor service, compliances with requirements related to SEBI (LODR) Regulations, 2015 and Corporate Governance, shareholding pattern, periodical transfers/transmissions of shares, de-materialisation and re-materialisation of shares, issue of duplicate certificates of the securities issued by the Company, review of the status of redressal of complaints, if any, lodged with authorities including SEBI, Registrar of Companies, etc. by the stakeholders, for reasons including non-receipt of dividends, Annual Reports etc., steps taken by the Company for settlement of unclaimed dividends, Compliance with the applicable provisions of the Companies Act, 2013 and various other statutes.

It has been noted that the shareholding in dematerialized mode as on March 31, 2019 was 98.21% (97.67% as of March 31, 2018).

(b) Composition of the Stakeholders' Relationship Committee and other details:

During the year, the Stakeholders' Relationship Committee met 4 times, viz. April 27, 2018, July 30, 2018, October 22, 2018 and January 23, 2019. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Dr. Yeluri Vijayanand, Chairperson (Independent Non-Executive)*	2/2	30,000
Shri S K Hota, Member (Managing Director)	4/4	NA
Shri G Naganathan, FCA, Member (Independent Non-Executive)	4/4	45,000
Smt Bharati Rao, Member (Independent Non-Executive)	4/4	45,000
Shri T V Rao^	1/1	10,000

* Appointed w.e.f August 29, 2018.

^ Shri T V Rao (DIN:05273533) was the Chairperson of the SRC Committee till July 18, 2018 as his tenure of the Office was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

The Company Secretary is the Secretary to the Committee.

There were no complaints pending at SEBI SCORES as at the beginning of the financial year and during the year 2 complaints were received and both the complaints stand resolved as at the end of the financial year ended March 31, 2019.

Shareholders Grievances/ Representations Statistics

Complaints/ Representations received related to non-receipt of Annual Reports/ dividend/ Split share certificate etc	158
Complaints not solved to the satisfaction of shareholders	Nil
Pending Complaints	Nil
Pending Representations	1*

* Representation relates to issue of split-share certificate.

(iv) Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act.

During the year, the Corporate Social Responsibility (CSR) Committee met 3 times on August 29, 2018, September 17, 2018 and November 13, 2018. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Smt Bharati Rao, Chairperson (Independent Non-Executive)	2/3	20,000
Shri S K Hota, Member (Managing Director)	3/3	NA
Shri G Naganathan, FCA, Member (Independent Non-Executive)	3/3	30,000
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director)	3/3	NA

The Company Secretary is the Secretary to the Committee.

The Company has focussed in promoting education including special education and employment in enhancing vocation skills especially among children. The other areas of focus are healthcare sector, conservation of Solar energy and ecological balance providing food and nutrition to children etc. During the year the Company also worked in the environmental

sustainability by planting trees/ saplings and distribution of 20,000 cotton bags.

Other information relating to the particulars on spending in terms of the Corporate Social Responsibility Policy and reasons for not spending/ carrying forward the balance amount, if any, during the current year are disclosed in a separate report annexed to the Report of Directors, forming part of this Annual Report.

(v) Risk Management Committee (RMC)

The Risk Management Committee (RMC) of the Company is constituted in line with the provisions of Regulation 21 of the SEBI (LODR) Regulations. The Risk Management Committee comprise four members – three Directors and a senior management executive. The Risk Management Policy defines the role and responsibilities of the Committee and delegation of appropriate authority.

The terms of reference to the Committee include overall responsibility to monitor and manage enterprise-wide risk i.e., overall risk in the Company. The Committee reviews and monitors the overall risk management framework for management of credit risk, market risk, operational risk, asset liability management, compliance risk, etc. The Committee will also review all the policies of the Company and risk profile of the Company at periodical intervals. Thereafter, the same will be recommended to the Board for review/ approval.

The Committee meets at periodical intervals and reviews the key risks associated with the business of the Company, causes and efficacy of the measures taken to mitigate the same and apprises the Board of Directors.

Further, the Audit Committee and the Board of Directors review the key risks associated with the business of the Company, the procedures are in place to assess the risks and the mitigation mechanisms.

During the year the Risk Management Committee met 3 times - on June 01, 2018, August 18, 2018 and January 23, 2019.

The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri Debashish Mukherjee, Chairperson (Promoter, Non-Executive)	-	NIL
Smt Bharati Rao, Member (Independent Non-Executive)	3/3	35,000
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director)	3/3	NA
Smt Shamila M, Member (General Manager)	3/3	NA
Smt P V Bharathi^	3/3	40,000#
Shri T V Rao*	1/1	10,000

^ Smt P V Bharathi (DIN 06519925), Non-executive Promoter Director of our Company was the Chairperson of RMC Committee, has resigned from the Board of our Company w.e.f. February 01, 2019, on her elevation and appointment as the Managing Director & Chief Executive Officer of Corporation Bank.

* The tenure of the Office of Shri T V Rao (DIN:05273533), the Non-Executive Independent Director of the Company was completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

\# Sitting fee paid to Canara Bank.

The Company Secretary is the Secretary to the Committee.

(vi) Management Committee (MC)

The Management Committee of the Board considers the proposals for sanction of loans to individuals/ builders, rates of interest on such loans, terms and conditions for sanction and certain other financial sanctions, related assignments in terms of the powers delegated to the Committee by the Board.

During the year the Management Committee met on April 04, 2018 and May 28, 2018. The particulars of members of the Committee, number of meetings attended by them/held during their tenure of membership and the sitting fee paid are mentioned hereunder:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri S K Hota, Chairperson (Managing Director)	2/2	NA
Shri T V Rao^	2/2	20,000
Shri S A Kadur$	2/2	20,000#
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director)	1/1	NA
Smt Bharati Rao, Member (Independent)	-	NIL
Shri S Subramanian, Member (Promoter)*	-	NIL

Sitting fee paid to Canara Bank.

^ The tenure of the Office of Shri T V Rao (DIN:05273533), the Non-Executive Independent Director of the Company was also completed on conclusion of the 31st Annual General Meeting of the Company held on July 18, 2018.

$ Shri S A Kadur (DIN:06426985), Director (General Manager, Canara Bank) has laid down his Office on attainment of superannuation w.e.f September 30, 2018. In pursuance of the same, he has tendered his resignation as Director (Non-executive Promoter Director) of our Company, which was received on October 01, 2018.

* Apppointed w.e.f October 06, 2018.

The Company Secretary is the Secretary to the Management Committee.

(vii) IT Strategy Committee

The Board has constituted IT Strategy Committee as per NHB guidelines NHB(ND)/DRS/Policy Circular No.90/ 2017-18. The Committee conducts gap analysis between their current IT framework and stipulations as laid out in the specified circular and to review and amend/ frame IT strategies as and when required. During the year the IT Strategy Committee met on October 21, 2018, January 07, 2019 and March 11, 2019.

The particulars of members of the Committee, number of meetings attended by them/held during their tenure of membership and the sitting fee paid are mentioned hereunder:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri G Naganathan, FCA, Chairperson (Independent Non-Executive)	3/3	40,000
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director)	3/3	NA
Smt Shamila M, General Manager	3/3	NA
Shri Sikhin Tanu Shaw, AGM IT	3/3	NA

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and IT Strategy Committee are chaired by Independent Directors.

The Independent Directors are not paid any fee/remuneration apart from the sitting fee for attending the meetings.

Depending upon the need, the Committees invite the Senior Management Personnel/ Functional Heads, Statutory Auditors/ Branch Auditors of the Company, Tax Consultant, Internal Auditors and such other professionals with relevant expertise, to attend the meetings and provide clarifications on certain specific issues, if any.

The dates of meetings of the above Committees are decided in consultation with the Chairperson of the respective Committees and intimated to its members in advance. The agenda papers are prepared in advance and circulated among the members of the Committees.

4. General body meetings/ postal ballots

The details of annual general meetings held during the last three years are as follows:

Year ended	Date and Time	Venue
March 31, 2018	Wednesday, July 18, 2018 at 11:00 AM	NIMHANS Convention Centre, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka, 560029
March 31, 2017	Wednesday, June 28, 2017 at 11:00 AM	J.S.S. Shivarathreeswara Centre Auditorium 1st Main, 8th Block, Jayanagar, Bengaluru, Karnataka, 560082
March 31, 2016	Wednesday, July 20, 2016 at 11:00 AM	Same as above

Special Resolutions passed at the previous three Annual General Meetings:

2018	1. To borrow amounts not exceeding ₹20,000 Crore. 2. Offer or invitation for subscription for Non-Convertible Debentures (NCD) or bonds, secured or unsecured, of any nature upto an amount of ₹6000 Crore on private placement. 3. Further issue of shares/ specified securities.
2017	1. Re-appointment of Shri Thallapaka Venkateswara Rao (T V Rao), Independent Director 2. Re-appointment of Shri Kokkarne Natarajan Prithviraj (K N Prithviraj), Independent Director 3. Increasing the borrowing powers of the Board of Directors of the Company from ₹16,000 Crore to ₹20,000 Crore. 4. Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹6,000 Crore on private placement.
2016	1. Increasing the borrowing powers of the Board of Directors of the Company from ₹14,000 Crore to ₹16,000 Crore. 2. Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹3,000 Crore on private placement.

Postal ballot

1. Details of Special Resolutions passed through Postal Ballot in the last year: NA

2. Person who conducted the postal ballot exercise: NA

3. Whether any Special Resolution is proposed to be conducted through postal ballot: No resolution is proposed to be conducted through Postal Ballot as on the date of AGM.

4. Procedure for Postal Ballot: Your Company follows the provisions of the Companies Act, 2013 and Listing Regulations 2015 for Postal Ballot, if any.

5. Means of Communication to the shareholders

The Company has about 88,692 shareholders all over India as on March 31, 2019 as against 77,033 as on March 31, 2018.

The means of communication to the shareholders includes;

(a) Quarterly Results - The Company, immediately after conclusion of the meetings of the Board of Directors, within the prescribed time, uploads the quarterly/annual financial results on the website "NEAPS" of National Stock Exchange of India Limited and "Listing Centre" of BSE Limited and simultaneously uploads the same on the Company's website https://www.canfinhomes.com/

The Company also publishes the abridged version of audited/ unaudited financial results on a quarterly/annual basis, in the prescribed format, in leading newspapers in English and in the regional language viz., Kannada, within the prescribed period.

(b) Newspapers where in results normally published - The Company normally publishes the abridged version of audited/ unaudited financial results in leading newspapers in English viz., Business Line and/or Business Standard and/or Financial Express and in the Regional Language i.e., Kannada in the newspapers viz., Kannada Prabha and/or Samyuktha Karnataka.

(c) Any website, where displayed - The Company displays all the reports/ statements/ notices and such other documents as required/ applicable under the statutory and regulatory requirements on the official website of the Company https://www.canfinhomes.com/. The Company has revamped its website w.e.f April 13, 2019. The Company also uploads all such documents online on http://www. connect2nse.com/listing/ and on http://www. listing.bseindia.com/ for dissemination by National Stock Exchange of India Limited and BSE Limited.

(d) Official News releases - Dissemination of information through television/press: The Managing Director provides brief information on quarterly/annual results, corporate actions like rights issue etc. on TV channels and in print media, within the permissible disclosure norms. The intimations of such press releases/television interviews are informed to the stock exchange in terms of regulation 30 of the SEBI regulations and similar information is made available on the Company's website.

(e) Presentations made to Institutional Investors or to the Analysts - The Managing Director, Deputy Managing Director and the Chief Financial Officer generally interact with the analysts/investors and provide clarifications on the issues covered in the presentation, which is made available on the Company's official website within the permissible disclosure norms. The Managing Director, Dy. Managing Director and the Chief Financial Officer participate in the Conference calls arranged by reputed Institutional Investors. Investors' page on the website of the Company - The 'Investor Page' (https://www.canfinhomes.com/investor-presentation.aspx) provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data, annual performance compared, key ratios etc. The page also discloses the un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual reports, the shareholding pattern, unclaimed/unpaid dividend/deposits, Fair Practice Code, KYC guidelines, nomination by members, ECS mandate, dematerialisation of shares, SEBI circulars insisting for payments to members through electronic mode etc., complete details about the Registrar and Transfer agents, details of the Compliance Officer etc. with select download facilities, for the information and utility of the shareholders of the Company. The intimations relating to Institutional Investors or Analysts meet are informed to the stock exchange in terms of regulation 30 of the SEBI regulations and similar information is made available on the Company's website within the prescribed time as and when applicable.

(f) Annual Report – The Annual Report encompasses the operational and financial highlights for the current year in comparison with previous years, Report of Directors, Report of the Directors on Corporate Governance, Management Discussion and Analysis report and Audited Financial Statements together with the Auditors Report. The annual report also contains a section on `General Information to Shareholders' which inter-alia provides information relating to the date, time and venue of the annual general meeting, shareholding pattern, distribution of shareholding, voting rights and the monthly high and low market price of equity shares during the year and other information as required under the listing agreement(s) and other related matters.

(g) Stock Exchanges – The Company uploads/discloses all material information about the Company, including shareholding pattern, report on corporate governance, reconciliation of share capital audit, status of investor's complaints, certificates from RTA, disclosure on related party transactions, annual secretarial compliance report, Debentures Trustees and intimations/disclosure of material events etc. periodically to the National Stock Exchange of India Ltd. and BSE Limited.

(h) Investor grievance redressal mechanism: The Company has provided a separate e-mail ID for shareholders services viz., investor.relationship@canfinhomes.com and the Investor grievance redressal mechanism is in place. A Grievance Redressal Portal has been enabled in the new website of the Company.

(i) Meetings: The principal forum for interaction/discussion with shareholders, be it individuals, corporates or foreign investors is the annual general meeting of the Company.

(j) Other information: The details relating to the director(s) proposed to be appointed/re-appointed at the ensuing Annual General Meeting are provided as an annexure to the notice convening the said meeting.

In recognition of the initiative taken by the Ministry of Corporate Affairs (MCA), Government of India and as a contribution towards a greener environment the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Report of Directors, Auditors Report, etc. to a significant number of shareholders to their registered e-mail address made available to the Company by the Depositories or by the members themselves. The above documents would also be available on the website of the Company https://www.canfinhomes.com/invester-presentation.aspx by the shareholders.

The Annual Report of the Company for the financial year 2018-19 will be e-mailed to the members as stated above. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. The annual reports to all other members, who have not registered their email addresses, will be sent to their registered address.

6. Other disclosures

(a) Materially significant related party transactions

The Company has a policy in place on the Related Party Transactions. The policy defines clearly the transactions which require approval from Audit Committee, the Board of Directors and members at the Annual General Meeting, provision for prior approval, periodical review, omnibus approval, transactions in the ordinary course of business or otherwise, transactions within arm's length basis or otherwise, materiality of the transactions as defined under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as applicable, and threshold limits as defined and in conformity with the provisions of the Companies Act, 2013, the related rules and the requirements under said regulations, as amended from time to time. The Company has been entering into contracts and arrangements with the promoter and sponsor bank viz., Canara Bank since incorporation, in the ordinary course of business.

The Company has been maintaining current accounts for business transactions, availing Term Loans, Overdraft facilities, making payment of interest, placing short term/long term deposits to meet the statutory liquidity limits (SLR purpose) and collecting/ recovering interest thereon, leasing out business or residential premises, if any, of the Company to the Bank on rent or occupy any business or residential premises of the Bank on rent, paying bank charges to the Bank, borrow by way of Commercial Papers, Non-convertible Debentures, term loans, etc. The Company has also been availing the services of Canbank Computer Services Ltd., a subsidiary of the Sponsor Bank, as the Registrar & Share Transfer Agents of the Company (RTA). Further, the Company has registered itself with the Insurance Regulatory & Development Board of India w.e.f. December 01, 2017 and has entered into Distribution Agreement and Service Level Agreement with Canara HSBC OBC Insurance Company Ltd., (CHOICe), a joint venture Company of Canara Bank, for carrying out Insurance agency business and has been earning commission income for the same from CHOICe.

The Company has obtained prior approval/ratification of the shareholders for the material related party transactions which would be entered into or already entered into by the Company

with Canara Bank and/or its subsidiaries for an amount not exceeding ₹5,000 Crore (Rupees Five Thousand Crore) only, by way of special resolution at the 31st Annual General Meeting of the Company held on July 18, 2018. As on March 31, 2019 the overall related party transactions of the Company outstanding with Canara Bank and/or its subsidiaries was ₹4031.80 Crore.

The Company has been disclosing all the transactions with related parties on a quarterly basis to the stock exchanges along with the compliance report on corporate governance in terms of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The disclosure in compliance with the Accounting Standard on 'Related Party Disclosures' as required under Regulations 34(3) and 53(f) read with Part A Schedule V of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, are disclosed by the Company in the Notes forming part of the financial statements (Note No. 32 at page No. 146 of the Annual Report) and the particulars of such contracts/ arrangements are provided as an annexure to this Report of Directors. This is also in compliance of the HFCs Corporate Governance (NHB) Directions, 2016.

In compliance with the Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted to the stock exchanges a note on Related Party Transactions, to the extent applicable, drawn in accordance with applicable accounting standards for the half year ended March 31, 2019.

The Company's Related Party Transactions Policy mainly covers the objectives, scope, transactions that are considered as related party transactions, identification of potential related party transactions, approval of related party transactions, procedure for seeking approval, review, disclosures etc. The Company's Related Party Transactions Policy is on the website of the Company placed at https://www.canfinhomes.com/pdf/Related-Party-Transactions-Policy-of-the-Company-120419.pdf and also placed as Annexure to Report of Directors.

(b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;

(i) During 2017-18, the Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010 except for one instance detailed below;

National Housing Bank (NHB) in its regulatory Audit conducted during the financial year FY 2016-17, for FY 2014-15 and FY 2015-16, had raised an issue on the procedure followed by the Company since inception, on valuation of Government Securities under HTM category invested for SLR purpose. NHB vide its letter NHB(ND)/DRS/SUP/9349/2017 dated September 19, 2017 has imposed an aggregate penalty of ₹28,62,708/- under the Provisions of Section 29 of the National Housing Bank Act, 1987 and the same is paid.

(ii) During 2018-19, NHB vide its letter NHB(ND)/DRS/APPEAL-1/17/A-744/2019 dated January 17, 2019 has imposed a penalty of ₹5,900 (inclusive of GST@18%) for alleged contravention of section 32 of the NHB Act, 1987 and the Fair Practice Code issued by NHB, for which the Company has sent a reply and remitted the amount under protest.

Other than the fine amounts mentioned above, no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter relating to the capital markets.

(c) Details of establishment of vigil mechanism / whistle blower policy

The Company has adopted a Whistle Blower Policy/ vigil mechanism for the Directors, employees and other stakeholders to enable them to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under this mechanism, the improper practice, if any, in the Company, can be directly reported to the Audit Committee. A communication in this regard has been sent to all the employees of the Company and reiterated during the Branch Managers' Conference, training programmes and in Circulars. The Company affirms that the mechanism provides adequate safeguards against victimisation of Director(s)/ employee(s) who use the mechanism, provides for direct access to the Chairperson of the Audit Committee and also affirms that no personnel have been denied access to the Audit Committee.

The details of establishment of the mechanism has been placed by the Company on its website at https://www.canfinhomes.com/pdf/Whistle-Blower-Policy-120419.pdf

(d) Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has revisited the Internal Complaints Committee members and emphasized on the roles and responsibilities expected from the members.

Disclosures under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:

Number of Complaints filed during the financial year 2018-19	Nil
Number of Complaints disposed off during the financial year 2018-19	Nil
Number of Complaints pending as on end of the financial year 2018-19	Nil

(e) Details of compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) (b) to (i) of the Listing Regulations.

This Corporate Governance Report of the Company for the FY18-19 and as on March 31, 2019 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(f) Subsidiaries

The Company has no subsidiaries and as such the requirement of certain compliances relating to subsidiaries, as prescribed, are not applicable.

(g) Commodity risks faced by the Company during the year and commodity hedging activities : Not applicable.

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): Not applicable for the year.

(i) Certification from Company Secretary in Practice:

Shri S Kedarnath, M/s. S. Kedarnath & Associates, Practicing Company Secretaries, has conducted Secreterial Audit and his Audit Report is annexed to the Report of the Directors and will be submitted to the stock exchanges and the Ministry of Corporate Affairs along with the Annual Report. He has also issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure-2.

(j) There have been no instances during the year where recommendations of the any Committee of the Board were not accepted by the Board.

(k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor is given below:

Auditors Remuneration	**₹ in Lakhs**
Audit Fees (Including Branch Statutory Auditors fees and Tax audit)	48.16
Tax Matters	0.30
Other Services (Certification etc.)	2.50
Out of Pocket Expenses	6.90
Total	**57.86**

(l) Compliance with Accounting Standards

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as applicable read with Section 133 of the Companies Act, 2013 and guidelines issued by National Housing Bank.

(m) Shareholding of Non- Executive Directors

None of the Non-Executive Directors of the Company hold any equity shares of the Company.

(n) Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Report of the Directors, which includes discussion on industry structure, opportunities and threats, segment/

product-wise performance, outlook, risks and concerns, internal control systems and their adequacy, financial performance with respect to operational performance, developments, if any, in Human Resources/Industrial Relations front, including number of people employed, details of significant changes in key financial ratios etc.

The Senior Management personnel have made disclosures to the Board relating to all material transactions, where they have personal interest, which has a potential conflict of interest, if any, with the Company at large. The Company has disclosed the Code of Conduct for the Board and senior management, on the website of the Company.

(o) Insider Trading Regulations

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information. This Code of Conduct is applicable to all the Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company. The amended policy is available on our website at https://www.canfinhomes.com/pdf/Code-of-Conduct-Prevention-of-Insider-Trading-Fair-Disclosure-120419.pdf

7. Compliance with discretionary requirements

The status of adoption of the non- mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, are as follows:

(i) **The Board:** The Chairperson of the Company is Non-Executive Chairperson;

(ii) **Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website www.canfinhomes.com, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited; The Company protects and facilitates the exercise of the rights of the shareholders.

(iii) **Modified opinion(s) in audit report:** The Company has a regime of un-qualified financial statements. There were no qualifications on financial statements by the Auditors.

(iv) **Reporting of Internal Auditor:** The Internal Auditor(s) of the Company may report directly to the Audit Committee without restrictions. The Internal Auditors, as stakeholders, have direct access to the Chairperson of the Audit Committee under the Whistle Blower Policy of the Company, which is made available on the website at https://www.canfinhomes.com/pdf/Whistle-Blower-Policy-120419.pdf

8. Compliance with the Code of Conduct

The Company has adopted the "Code of Conduct for Directors & Independent Directors" and "Code of Conduct for Senior Management of Can Fin Homes Ltd". The updated Code incorporates the duties of Independent Directors. The Codes are available on the website of the Company at https://www.canfinhomes.com/policies-codes.aspx.

The Managing Director and CEO of the Company has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct of Board of Directors and Senior Management during the FY19. The said declaration has been placed as an Annexure 1 to this Report.

9. CEO and CFO Certification

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on April 30, 2019 convened for approval of the audited financial results of the Company for the year under review. The said certification has been placed as an annexure 3 to this report.

10. Disclosures with respect to demat suspense account/ unclaimed suspense account;

The details of shares in the demat suspense account or unclaimed suspense account, as applicable are given below:

(a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 2275 shares of shares of ₹ 2/- each pertaining to 7 number of shareholders;

(b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; Nil;

(c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil;

(d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 2275 shares of shares of ₹ 2/- each pertaining to 7 number of shareholders.

That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

11. Report on Corporate Governance

The Company has complied with the mandatory requirements as stipulated under Regulation 27 and Part C(11) of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015. The quarterly compliance reports on corporate governance together with a statement on related party transactions are submitted by the Company to the stock exchanges within the prescribed time limit, duly signed by the Compliance Officer of the Company. The Corporate Governance reports are uploaded in the Company's website for the information of all stakeholders.

For and on behalf of the Board of Directors

Sd/-
Bharati Rao
Chairperson

Place: Bengaluru
Date : May 22, 2019

Annexure 1

DECLARATION BY THE CEO - CODE OF CONDUCT

[Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,
Can Fin Homes Ltd.
Bengaluru

Dear members of the Board,

Sub: Compliance with Code of conduct by the Board of Directors and Senior Management.

I, S K Hota, Managing Director & Chief Executive Officer of Can Fin Homes Ltd., hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended March 31, 2019.

Sd/-
S K Hota
Managing Director & CEO

Place: Bengaluru
Date: April 10, 2019

Annexure 2

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[Pursuant to Clause 10 of Part C of Schedule V of SEBI (LODR) Regulations, 2015]

To the Members of Can Fin Homes Limited,

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Can Fin Homes Limited (CIN: L85110KA1987PLC008699), it is hereby certified that:

On the basis of the written representations/declarations received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

Sd/-
S. Kedarnath
M/s S. Kedarnath & Associates
Company Secretaries
FCS: 3031/ CP No.: 4422

Place: Bengaluru
Date: May 04, 2019

Annexure 3

CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2019

With reference to the certification as per Regulation 17(8) Part B of the SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

a) We have reviewed financial statements and the Cash Flow statement for the year ended March 31st 2019 and that to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee
   i. Significant changes in Internal control over financial reporting during the year;
   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Bengaluru
Date: April 30, 2019

Sd/-
Atanu Bagchi
Dy. General Manager & CFO

Sd/-
S K Hota
Managing Director & CEO

General Information to Shareholder

This section of the Annual Report offers information to the shareholders pertaining to the Company, its shareholding pattern and means of dissemination of information, service standards, share price movements and such other information as required under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, hereinafter referred to as `SEBI regulations'.

32ND ANNUAL GENERAL MEETING (AGM)

Date: July 17, 2019 - Wednesday

Time: 11:00 A.M.

Venue: NIMHANS Convention Centre, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka- 560029

Bus Route Nos. from Kempegowda station/Majestic to NIMHANS: Frequent buses - 171, 340A, 342F, 356, 356M, 360B, 365, 365D, 365J, 369D, KBS3A, KBS3C, KBS3E, V356C, V356N, V360B & V365 (Route MAP is made available in the Notice of the AGM).

Financial year is from April 01, 2019 to March 31, 2020

Calendar 2019-20: The probable schedule for holding meetings of the Audit Committee/Board of Directors is as under:

Table-3 Nature of Meeting	Purpose	Probable date
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending June 30, 2019	During Second/Third week of July, 2019
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending September 30, 2019.	During Second/Third week of October, 2019
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending December 31, 2019.	During Second/Third week of January, 2020
Audit Committee/ Board Meeting	To review, approve and take on record the financial results (Audited) for the quarter and the financial year ending March 31, 2020.	During Second/Third week of April, 2020

DATE OF BOOK CLOSURE:

July 11, 2019 Thursday to July 17, 2019 Wednesday (both days inclusive).

DIVIDEND PAYMENT:

The Board of Directors of the Company have recommended a dividend of ₹2/- per equity share of face value of ₹2/- each (100%) for the financial year ended March 31, 2019, subject to approval of the shareholders at the ensuing annual general meeting and if declared, will be paid within 7 days i.e. on or before July 24, 2019.

Entitlement for Dividend:

i. For the shares held in physical form: To the shareholders whose names appear on the register of members as at the close of business hours on July 10, 2019.

ii. For shares held in electronic form: To the Beneficial owners whose name appear in the statements of beneficial position furnished by the National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on July 10, 2019.

LISTING OF EQUITY SHARES

BSE Limited	National Stock Exchange of India Ltd.
P J Towers, Dalal Street, Mumbai 400001.	Exchange Plaza", Bandra-Kurla complex, Bandra(E), Mumbai 400051.

LISTING OF DEBT SECURITIES

The Non Convertible Debentures (NCDs) issued by the companies on private placement are listed on WDM segment of National Stock Exchange of India Limited.

Debenture Trustees	SBICAP Trustees Company Limited 6th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai, 400020 Tel : 022-43025555, Fax : 022-43025500

LISTING FEE

The listing fees for the year 2018-19 and 2019-20 have been paid to the above Stock Exchanges where the securities of the Company are listed within the prescribed time.

The Annual Custodial Fees for 2019-20 has been paid within the due date to CDSL and that of NSDL will be settled on receipt of invoice.

STOCK CODE

The Scrip Name and Scrip Code at the stock exchanges viz., BSE Limited, Mumbai and National Stock Exchange of India Ltd, Mumbai, are as under:

NSE Symbol: CANFINHOME

BSE Scrip Code: 511196

The ISIN allotted to the Equity Shares of the Company is: INE477A01020. National Stock Exchange has added the shares of our Company to the Futures and Options segment w.e.f April 28, 2017.

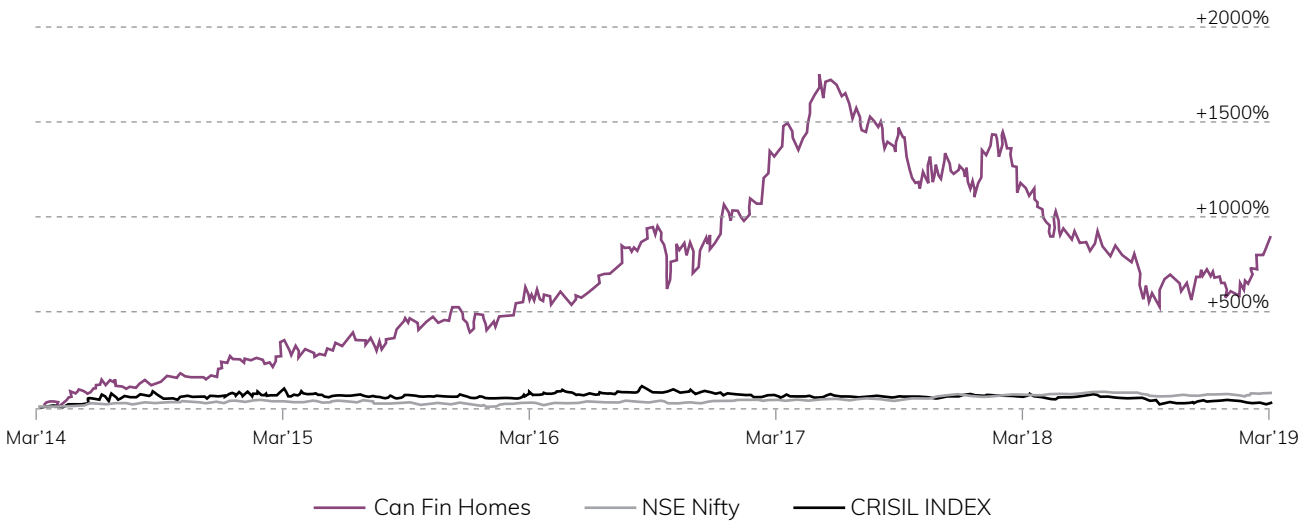
MARKET PRICE DATA – HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR

Month and Year	National Stock Exchange of India Ltd. (NSE), Mumbai (₹)		Bombay Stock Exchange Ltd.(BSE), Mumbai (₹)	
	High	Low	High	Low
April, 2018	464.00	414.65	466.05	415.05
May, 2018	428.90	345.55	428.75	345.75
June, 2018	387.00	333.10	386.45	334.10
July, 2018	377.00	320.00	377.70	320.50
August, 2018	345.00	308.40	344.60	306.15
September, 2018	246.65	223.00	336.50	220.05
October, 2018	279.80	216.50	279.35	217.00
November, 2018	288.75	247.45	288.90	247.65
December, 2018	297.40	226.40	296.00	228.60
January, 2019	290.35	240.70	290.05	240.20
February, 2019	279.25	235.55	279.50	234.65
March, 2019	356.80	267.20	356.15	268.70

* The securities were not suspended from trading, any time during FY19.

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS NSE NIFTY & CRISIL INDEX :- 2014-2019

Graphical representation

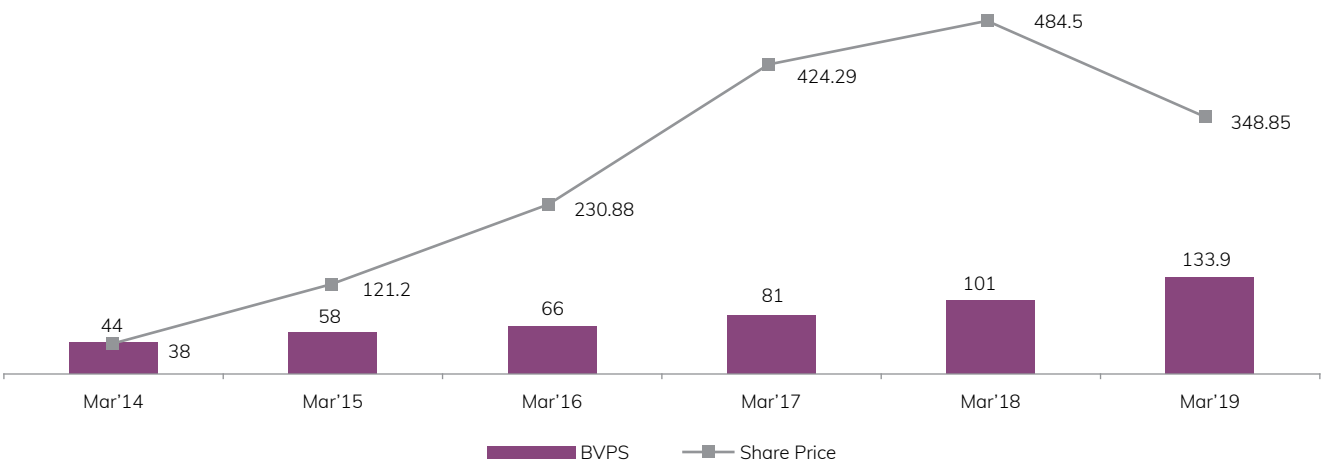


STOCK PRICE AND BOOK VALUE – YEAR TO YEAR – 2014-2019

Book Value per share as on March 31, 2019 = ₹133.90/- per equity share of face value of ₹2/- per share.

Market Value per share as on March 29, 2019 (High) =₹356.80 (NSE), ₹356.15 (BSE).

Graphical representation



P.S.: Face value of share is ₹2/- per share, since Oct'17. Hence for the sake of better presentation the face value has been converted to ₹2/- for Mar'14 to Mar'17.

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

Canbank Computer Services Ltd.,
Unit: Can Fin Homes Ltd.,
R&T Centre, No.218, J P Royale, I Floor,
2nd Main, Sampige Road, (Near 14th Cross),
Malleshwaram, Bengaluru 560003
Tel: 080-23469661/62, 23469664/65
Fax: 080-23469667;
e-mail: ravi@ccsl.co.in and naidu@ccsl.co.in

SHARE TRANSFER SYSTEM

The powers to consider and approve share transfers/ transmissions / consolidation / sub-division, etc. have been delegated by the Board to the Company Secretary and one of the Asst. General Managers at the Registered Office of the Company and such requests are processed once in ten days. However, in cases of disputes over title to shares pending before Courts or otherwise stop transfer instructions are registered by owners, the transfers take place on resolution of disputes between the parties and/or in terms of the applicable provisions of law.

DEMATERIALISATION OF SHARES AND LIQUIDITY

The equity share of the Company are in the list of scripts specified by SEBI to the compulsorily traded in the electronic form. About 98.21% of paid up capital is held in dematerialised form and the remaining 1.79% are held in physical form. The securities of the Company are admitted as the 'Eligible Securities' into the Depository system by NSDL and CDSL. The shares of the Company are listed and traded actively on the stock exchanges and hence the liquidity for the shares of the Company is high.

ADDRESS FOR CORRESPONDENCE

Shareholder's correspondence may please be addressed to the Registrar & Share Transfer Agents at the above mentioned address. They may also contact investor relationship Dept., Can Fin Homes Ltd., Registered Office, 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru – 560004. (Tel: 080 26564259; Fax: 080 26565746);
E-mail: investor.relationship@canfinhomes.com

DISTRIBUTION OF SHAREHOLDING AS OF MARCH 31, 2019

Amount (₹)	Members		Shares	
	Number	%	Amount (₹)	%
Upto - 5000	75,983	85.67	2,03,00,452	7.62
5001 - 10000	6,325	7.13	96,95,364	3.64
10001 - 20000	3,620	4.08	1,05,81,938	3.97
20001 - 30000	1061	1.20	54,01,874	2.03
30001 - 40000	484	0.55	34,30,500	1.29
40001 - 50000	295	0.33	27,46,596	1.03
50001 - 100000	504	0.57	70,26,690	2.64
100001 and above	420	0.47	20,71,24,836	77.78
Total	**88,692**	**100.00**	**26,63,08,250**	**100.00**

SHAREHOLDING PATTERN OF THE COMPANY AS OF MARCH 31, 2019

Sl. No	Particulars/ Category of Shareholder	No. of Shareholders	Total number of shares	Total shareholding as % of total No. of equity share holdings (%)	No. of equity shares in de-mat form	Total demat shareholding as % of total No. of equity share holdings (%)
1	Promoter and Promoter Group	1	39930365	29.99	39930365	29.99
2	Mutual Funds/UTI	24	3786280	2.84	3785280	2.84
3	Financial Institutions/ Banks	5	1023579	0.77	1023579	0.77
4	Insurance companies	1	191278	0.14	191278	0.14
5	Foreign Institutional Investors	0	0	0	0	0
6	Bodies Corporate	1216	19453310	14.61	19408810	14.58
7	Individuals	82757	39909840	29.97	37578544	28.22
8	Trust	7	24841	0.02	24841	0.02
9	Director & their relatives	0	0	0.00	0	0.00
10	Non Resident Indians	2659	1658806	1.25	1658806	1.25
11	Clearing members	243	882652	0.66	882652	0.66
12	Hindu Undivided Families	1689	728657	0.55	728657	0.55
13	Employee shareholders	14	21690	0.02	13360	0.01
14	Limited Liability Partnership/ Qualified Foreign Investor	0	0	0.00	00	0.00
15	Foreign Financial Institution	1	2000	0.00	0	0.00
16	Foreign Corporate Bodies	74	25288027	18.99	25288027	18.99
17	Foreign Nationals	0	0	0.00	0	0.00
18	IEPF Authority	1	252800	0.19	252800	0.19
	GRAND TOTAL	**88692**	**133154125**	**100.00**	**130766999**	**98.21**

SHAREHOLDERS HOLDING MORE THAN 1% OF THE SHARES

Sl. No	Name of the shareholder	No. of shares	%
1	Canara Bank	39930365	29.99
2	Caladium Investment Pte Ltd	17904245	13.45
3	Chhattisgarh Investments Limited	11979411	9.00
4	Nitin Raojibhai Desai	2156600	1.62
5	Apax Global Alpha Limited	1532000	1.15
6	Sarda Energy And Minerals Limited	1500000	1.13

CREDIT RATINGS

Credit Rating Agency	Instrument	Ratings	Revisions, if any	Revision Rational
India Ratings and Research Pvt. Ltd. (FITCH)	Debentures	IND AAA (Negative)	None	NA
	Tier II Bonds	IND AAA (Negative)	None	NA
CARE Limited	Debentures	CARE AAA (Stable)	None	NA
	Tier II Bonds	CARE AAA (Stable)	None	NA
	Commercial Papers	CARE A1+	None	NA
ICRA Limited	Debentures	[ICRA] AAA (Negative)	[ICRA]AA+ (Stable)	The reason for revision in ratings is due to the downgrade in credit ratings of the Company's principal shareholder (Promoter) viz. Canara Bank
	Tier II Bonds	[ICRA] AAA (Negative)	[ICRA]AA+ (Stable)	The reason for revision in ratings is due to the downgrade in credit ratings of the Company's principal shareholder (Promoter) viz. Canara Bank
	Commercial Papers	[ICRA]A1+	None	NA
	Deposits	MAAA(Negative)	MAAA(Stable)	Upgradation in outlook from negative to stable.

OTHER INFORMATION

ADR/GDRs:

The Company has not issued any Global Depository Receipts (GDRs) or American Depository Receipts (ADRs).

Plant Location:

Details of all the branches of the Company are provided at the end of the report.

UNCLAIMED DIVIDEND

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, any money transferred to the unpaid Dividend Account of the Company, which remains unpaid for a period of 7 years, shall be transferred to IEPF.

In terms of the said provisions, the due date for transfer of unclaimed dividend amount to IEPF is as under:

Dividend-relevant years	Dividend Per Share (Face value of ₹ 10 upto FY16-17 & ₹ 2 for FY17-18)	Balance in unpaid dividend account as on March 31, 2019 (₹)	Unclaimed dividend as a % of total amount of dividend declared	Declared at the AGM held on	Due date for transfer to Protection Fund (IEPF)*
2011-12	3.00	10,03,791.00	1.63	08.08.2012	08.08.2019
2012-13	4.00	14,87,304.00	1.81	07.08.2013	07.08.2020
2013-14	6.50	21,87,042.50	1.64	31.07.2014	31.07.2021
2014-15	7.00	22,92,234.00	1.23	08.07.2015	08.07.2022
2015-16	10.00	30,93,540.00	1.16	20.07.2016	20.07.2023
2016-17	10.00	32,77,080.00	1.23	28.06.2017	28.06.2024
2017-18	2.00	30,35,504.00	1.14	18.07.2018	18.07.2025

P.S.: Members of the Company can claim the unpaid dividend, if any, from the Company before the respective due dates of transfer to IEPF as mentioned above. As per Section 124(4) of the Companies Act, 2013 any person claiming to be entitled to any money transferred to IEPF may apply to the IEPF Authority for the payment of money claimed.

TRANSFER OF SHARES TO IEPF DEMAT ACCOUNT

In terms of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016 (notified on September 05, 2016) and the related Amended rules, 2017 (notified on October 16, 2017) our Company is required to transfer all the shares, in respect of which dividend amounts have not been paid or claimed for 7 consecutive years, to 'IEPF Demat Account' opened with the Depository for the purpose by the Company.

In terms of the above Rules, reminders dated September 24, 2016, December 02, 2016 and April 13, 2017 were sent by the Company to about 400 shareholders who have not claimed their dividends for a consecutive period of 7 years, informing that their shares will be transferred to IEPF suspense account on the prescribed due dates, if they do not place their claim for unclaimed dividend amounts before the Company. Finally, during the FY2017-18, within the prescribed due date the Company had transferred 248050 Nos. of equity shares pertaining to 364 shareholders to IEPF. During the FY2018-19 your Company has transferred 4750 Nos. of equity shares pertaining to 7 shareholders were transferred to IEPF. Your Company has provided the IEPF Rules, the paper notifications issued and a list of the shareholders, whose shares have been transferred to IEPF in the Investor Page of the website of the Company. Any shareholder can claim back his shares by filing the claim in the prescribed form (E-form IEPF-5).

ISSUE OF DUPLICATE DIVIDEND WARRANTS

A duplicate dividend warrant can be issued after the expiry of the validity period of the original warrant after complying with the simple prescribed procedural formalities. Shareholders who have lost their warrants/where the warrants are stale (older than 3 months) may write to RTA for revalidation.

BANK ACCOUNT PARTICULARS

SEBI has issued a Circular CIR/MRD/ DP/10/2013 dated March 21, 2013 [in the light of developments in the field of electronic payment system by various modes viz., National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) etc.,] whereby it has been made mandatory for the Companies to maintain requisite bank details of their investors.

In terms of the said circular, the Company has been making remittances, if any, to members through bank account details as sought from NSDL/ CDSL (demat accounts) and to the account particulars furnished to the Company/RTA by the physical holders. Only in cases where either bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. are not available or electronic payment instructions have failed or have been rejected by the bank, the Company has sent letters to shareholders requesting for modification of Bank account particulars with our RTA/ Depository Participant Accounts. Where the details are not provided, then dividend payments are made to the investors using physical instruments.

NOMINATION

Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, individual/joint members of the Company may at any time, nominate in Form No.SH-13, any person as his/ her nominee in whom the security shall vest in the event of his/her death. Only individual shareholder(s) applying for/holding shares on his/ her behalf can make a nomination. If the shares are held jointly, all the holders shall together nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/ dematerialisation of shares.

The said form is made available on the website of the Company in 'Investor page'. Shareholders holding shares in dematerialised form are requested to contact their respective depository participants. Shareholders holding shares in physical form are requested to submit the Form to the RTA.

FOLIO CONSOLIDATION

Shareholders holding shares under more than one folio may write to the Company or its RTA to consolidate their folios. In case of joint holdings, even if the order of names is different, shareholders can have them transposed without payment of stamp duty by sending a letter duly signed by all the shareholders. This will facilitate safekeeping and save cost at the time of dematerialisation. The above would be subject to verification of the signature(s) of the concerned shareholders.

COMPLIANCE OFFICER

Smt. Veena G Kamath
AGM & Company Secretary
Can Fin Homes Ltd.,
Sir M N Krishna Rao Road,
Basavanagudi, Bengaluru 560004.
Phone:080-26564259, Fax:080-26565746
Email: investor.relationship@canfinhomes.com,
compsec@canfinhomes.com

Financial Statements



Independent Auditors' Report

To,

The Members,
Can Fin Homes Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Can Fin Homes Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date including summary of the significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's 155 branches located at various locations across India (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's response
1.	**Expected credit loss allowances:** Ind-AS accounting framework was implemented on April 1st, 2018. Accordingly Ind-AS 109 is a new and complex standard that requires the Company to recognise Expected Credit Loss (ECL) on financial instruments. This is a significant departure from the earlier rule based provisioning. Expected credit loss allowances relating to loans and advances are determined on a portfolio basis, with the use of impairment models. These models are based on historical loss experience and use a number of key assumptions including probability of default, loss	We evaluated management's process and tested key controls around the determination of expected credit loss allowances, including controls relating to: • The identification of events leading to a significant increase in risk and credit impairment events; and • The review, challenge and approval of the expected credit loss allowances, including the impairment model outputs and key management judgements applied. We found that these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.

Sr. No.	Key Audit Matter	Auditor's response
	given default (including propensity for possession and forced sale discounts for mortgages) and valuation of recoveries. Our work therefore focused on the appropriateness of modelling methodologies adopted and the significant judgements required. Refer to Note 2(h) to the financial statements accounting policy on accounting for the impairment of financial assets and Note 40(i) to the financial statements for credit risk disclosures and for Credit impairment charges and other provisions.	We understood and assessed the appropriateness of the impairment models developed and used by the management at the entity level. This included assessing and challenging the appropriateness of key modelling judgements (e.g. the transfer criteria used to determine significant increase in credit risk). We tested the formulae applied within the calculation files, the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We also tested the reconciliation of loans and advances between underlying source systems and the expected credit loss models
2.	**Amortisation of Processing Fee:** In accordance with Ind-AS 109, interest income on loans is recognised in the statement of profit or loss using the effective interest method. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, accordingly processing fees collected is an integral part of the effective interest rate calculation. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Hence the processing fees income now is being recognized over the life of the loan. Refer to Note 2(k)(ii) to the financial statements for the accounting policy on recognition of revenue from Processing Fee.	We evaluated management's process and tested key controls around the determination of amortization of processing fees, including controls relating to: • Identification of agent sourced loans • Estimating the transaction cost relating to sourcing of loans We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit. We have verified the workings which contain the processing fees collected against each loan sanctioned during the current year as well as previous year. We tested the formulae applied within the calculation files. We tested the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We matched the processing fees in the workings with the underlying source systems including General Ledger. We have also tested whether loans which have been pre-closed, the related balance processing fees received have been recognized fully as income.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis and Annual report on CSR Activities but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the Report of Directors including Annexures to Directors Report, Corporate Governance and Information to Shareholders which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the reports, which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. In case of uncorrected material misstatement, we are required to communicate to other stakeholders as appropriate as well as to take action, applicable under the applicable laws and regulations, if any.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of 155 branches included in the financial statements of the Company whose financial statements reflect total assets of ₹12,66,950.47 Lakhs as at 31st March 2019 and total revenues of ₹1,14,713.79 Lakhs for the year ended on that date, as considered in the financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, in based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("The order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the Annexure (Annexure A) a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.

   c) The report on the accounts of 155 branch offices audited under section 143 by a person other than the company's principal auditor has been forwarded to us as required by sub-section (8) of section 143 and have been properly dealt with in preparing our report in the manner considered necessary by us.

   d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;

   e) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

f) On the basis of written representations received from the directors as on 31 March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B",

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is within the limit laid down under the provisions of section 197 of the Act.

i) With respect to the other matters to be included in the Auditor's report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed pending litigations as contingent liabilities in Note 35 to the financial statements, the impact if any on the final settlement of the litigations is not ascertainable at this stage.

ii. The Company has not entered into any long-term contracts including derivative contracts which require provision for foreseeable losses as per law or applicable accounting standards and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. Refer Note 15.2 to the Financial Statements.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M.No.23862

Place: Bangalore
Date : April 30, 2019

Annexure - A to the Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors Report of even date on the Financial Statement of M/s Can Fin Homes Limited for the year ended 31st March 2019.

i. In respect of Fixed Assets:

   a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. In our opinion, the records require further improvement with respect to situation of fixed assets.

   b. We are informed that the fixed assets of the company located at the 175 branches including the Centralised Processing Centre and the Head Office have been physically verified by the persons in-charge as at the year-end except in the case of eight branches as reported by the branch statutory auditors and no major discrepancies were noticed. In our opinion the frequency of verification of fixed assets of the company is adequate.

   c. The title deeds of the immovable property of the company are held in its name.

ii. The Company is a service company, primarily rendering housing finance services. Accordingly, it does not hold any inventory of goods. Thus, Para 3(ii) of the Order is not applicable.

iii. As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.

iv. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not given Loans, guarantees, investments or securities which fall under the purview of Sections 185 & 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. As per the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the services rendered by the Company.

vii. In respect of statutory dues:

   a. According to the information and explanation given to us and as per our verification of the records of the company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and any other statutory dues with the appropriate authorities and no material statutory dues have been outstanding for more than six months from the due date as at the year end.

   b. According to the information and explanation given to us and as per our verification of the records of the Company, the following are the disputed amounts of tax/ duty along with the details of amounts that have been deposited with appropriate authorities as at 31st March 2019

Statute	Nature of dues	Amount (In Lakhs)	Amount paid (in Lakhs)	Period to which the amount relates	Forum to which amount is pending
Income Tax Act, 1961	Income Tax	3.55	3.55*	AY 2003-2004	Commissioner of Income Tax -Appeals
Income Tax Act, 1961	Income Tax	15.61	Nil	AY 2004-2005	Deputy Commissioner Income Tax
Income Tax Act, 1961	Income Tax	568.55	568.55*	AY 2006-2007	High Court of Karnataka
Income Tax Act, 1961	Income Tax	446.27	446.27*	AY 2007-2008	High Court of Karnataka
Income Tax Act, 1961	Dividend Distribution Tax-u/s 115-O	16.44	Nil	AY 2011-2012	Commissioner of Income Tax -Appeals

*Includes amount paid under protest and amounts adjusted against refunds due to the company.

viii. According to information and explanation given to us and as per our verification of the records of the company, the Company has not defaulted in repayment of its dues to bank/financial institution/government/debenture holders during the year.

ix. The Company has not raised moneys by way of Initial Public offer or further public offer. The term loans raised have been applied for the purposes for which they were raised. The Company has also raised working capital loans with no repayment schedule and being working capital loans the reporting requirements of utilization is not commented upon.

x. According to the information and explanations given to us and as per our verification of the records of the company, no fraud either on or by the company has been noticed or reported by its officers or employees during the year except in the following case.

Nature of Fraud	Amount involved (in Lakhs)
Fraudulently obtained loan by borrowers in collusion with the employee of the Company	Loan sanctioned: 755.50 Loan outstanding at the year-end: 755.64*

*The entire amount has been fully provided for in the books of account.

xi. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M.No.23862

Place: Bangalore
Date : April 30, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of M/s Can Fin Homes Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 155 branches is based on the corresponding auditors' reports of the auditors of such branches.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M.No.23862

Place: Bangalore
Date : April 30, 2019

Balance Sheet as at March 31

(₹ in Lakh)

Sl. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
I	**Financial Assets**				
	a) Cash and Cash equivalents	3(a)	40,153.45	73.42	169.49
	b) Bank Balances other than (a)	3(b)	1,871.94	1,828.19	1,825.80
	c) Derivative Financial Instruments		-	-	-
	d) Receivables	4			
	(i) Trade Receivables		13.91	21.05	-
	(ii) Other Receivables		-	-	-
	e) Loans	5	1,828,452.29	1,564,400.49	1,322,413.82
	f) Investments	6	1,606.50	1,599.75	1,599.13
	g) Other Financial Assets	7	289.73	231.40	213.96
II	**Non-Financial Assets**				
	a) Inventories		-	-	-
	b) Current Tax Assets (Net)	8.1	2,062.39	1,380.86	289.20
	c) Deferred Tax Assets (Net)	8.2	2,400.76	2,323.56	1,093.98
	d) Property, Plant and Equipment	9	985.16	957.00	1,016.97
	e) Other non-financial assets	10	147.84	137.27	177.20
	TOTAL		1,877,983.96	**1,572,952.98**	**1,328,799.55**
	LIABILITIES AND EQUITY				
	LIABILITIES				
I	**Financial Liabilities**				
	a) Derivative Financial Instruments		-	-	-
	b) Payables	11			
	Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		215.89	869.61	232.67
	Other Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	c) Debt Securities	12	345,015.05	489,827.41	369,756.84
	d) Borrowings (Other than debt securities)	13	1,298,319.16	879,444.67	794,330.15
	e) Deposits	14	26,109.48	22,829.98	22,664.88
	f) Subordinated Liabilities		-	-	-
	g) Other Financial Liabilities	15	20,796.92	23,905.21	17,228.23
II	**Non-Financial Liabilities**				
	a) Current tax liabilities (Net)		-	-	-
	b) Provisions	16	2,663.65	3,362.84	2,713.04
	c) Deferred tax liabilities (Net)		-	-	-
	d) Other non-financial liabilities	17	6,645.21	4,014.51	1,503.64
III	**EQUITY**				
	a) Equity Share capital	18	2,663.31	2,663.31	2,662.25
	b) Other Equity	19	175,555.29	146,035.43	117,707.85
	TOTAL		1,877,983.96	**1,572,952.98**	**1,328,799.55**

Significant accounting policies 1 & 2

See accompanying notes forming part of the financial statements
As per our report of even date attached

For **Varma & Varma,**
Chartered Accountants
FRN:- 004532S

R. Kesavadas
Partner
Membership No: 23862

Place: Bangalore
Date: April 30, 2019

Bharati Rao
Chairperson
DIN: 01892516

G Naganathan
Director
DIN: 00423686

Debashish Mukherjee
Director
DIN: 08193978

S K Hota
Managing Director
DIN: 07491088

Dr Y Vijayanand
Director
DIN: 00594503

Atanu Bagchi
Chief Financial Officer

For and on behalf of the Board

S M Bhandiwad
Wholetime Director
DIN: 08193978

S Subramanian
Director
DIN: 07901414

Veena G Kamath
Company Secretary

Statement of Profit and Loss for the year ended March 31

(₹ in Lakh)

Sl. No.	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
	Revenue from Operations			
	i) Interest Income	20	169,954.89	149,058.44
	ii) Fees and Commission Income	21	2,740.22	2,726.14
I	**Total Revenue from Operations**		**172,695.11**	**151,784.58**
II	Other Income	22	439.45	413.52
III	**Total Income (I+II)**		**173,134.56**	**152,198.10**
	Expenses			
	i) Finance Costs	23	116,909.92	98,102.45
	ii) Fees and Commission Expense	24	1,085.10	956.57
	iii) Impairment on financial instruments		109.22	2,210.00
	iv) Employee Benefit Expenses	25	4,139.92	4,481.55
	v) Depreciation, Amortisation and Impairment	26	296.88	308.66
	vi) Other expenses	27	3,643.04	3,030.47
IV	**Total Expenses**		**126,184.08**	**109,089.70**
V	Profit(loss) before exceptional items and tax		46,950.48	43,108.40
VI	Exceptional items		-	-
VII	**Profit(loss) before tax**		**46,950.48**	**43,108.40**
VIII	Tax Expense			
	a Current Tax		17,203.91	16,075.46
	b Tax expense of earlier years		151.54	(334.38)
	c Deferred Tax		(78.67)	(1,251.91)
IX	**Profit(Loss) for the period from continuing operations**		**29,673.69**	**28,619.23**
X	Profit(Loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit(Loss) from discontinued operations (after tax)		-	-
XIII	**Profit(Loss) for the period**		**29,673.69**	**28,619.23**
XIV	**Other Comprehensive income**	38		
	A. Items that will not be reclassified to profit or loss			
	(i) Actuarial (Gain)/ loss		(4.21)	(64.53)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.47	22.33
	B. Items that will be reclassified to profit or loss			
	(i) Income tax relating to items that will be reclassified to profit or loss		-	-
	Other Comprehensive income		**(2.74)**	**(42.20)**
XV	**Total Comprehensive Income for the period**		**29,676.43**	**28,661.43**
XVI	**Earnings per equity share (for continuing and discontinued operations)**	37		
	Basic (₹)		22.29	21.49
	Diluted (₹)		22.29	21.49

Significant Accounting Policies 1 & 2

See accompanying notes forming part of the financial statements
As per our report of even date attached

For **Varma & Varma,**
Chartered Accountants
FRN:- 004532S

R. Kesavadas
Partner
Membership No: 23862

Place: Bangalore
Date: April 30, 2019

For and on behalf of the Board

Bharati Rao
Chairperson
DIN: 01892516

G Naganathan
Director
DIN: 00423686

Debashish Mukherjee
Director
DIN: 08193978

S K Hota
Managing Director
DIN: 07491088

Dr Y Vijayanand
Director
DIN: 00594503

Atanu Bagchi
Chief Financial Officer

S M Bhandiwad
Wholetime Director
DIN: 08193978

S Subramanian
Director
DIN: 07901414

Veena G Kamath
Company Secretary

Cash Flow Statement for the year ended March 31

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A)	**Cash Flow from Operating Activities**		
	Net Profit Before Tax and Exceptional Items	46,950.48	43,108.40
	Add:		
	i) Adjustment For:		
	Depreciation and Amortization	296.88	308.66
	Loss/(Profit) on Sale of Assets [net]	(4.58)	(11.77)
	Dividend income on mutual funds	-	(31.27)
	Provision no longer required written back	(2.15)	(274.78)
	Interest expense accrued but not paid	18,564.86	22,798.83
	Interest income accrued but not received	(35.88)	(20.81)
	Provision/Write offs	109.22	2,210.00
	Fair Value adjustments on Debentures	187.63	210.62
	Fair Value adjustments on Investments	(0.25)	(0.63)
	Operating Profit before Working Capital Changes	**66,066.20**	**68,297.26**
	ii) Adjustment For Working Capital:		
	(Increase)/Decrease in Trade Receivables	7.13	(21.05)
	Increase/(Decrease) in Trade Payables	(653.72)	636.94
	(Increase)/Decrease in Other Financial Assets	(22.45)	3.38
	(Increase)/Decrease in Loans	(264,156.80)	(244,196.68)
	Increase/(Decrease) in Provisions	(697.03)	989.11
	(Increase)/Decrease in Other non-financial assets	(10.57)	39.93
	Increase/(Decrease) in Other financial liabilities	(21,673.15)	(16,121.86)
	Increase/(Decrease) in Other non-financial liabilities	2,630.70	2,510.87
		(284,575.89)	**(256,159.35)**
	Cash Generated from Operations	**(218,509.68)**	**(187,862.09)**
	Less: Taxes Paid	14,983.07	13,960.28
	Net Cash Flow from Operating Activities	**(233,492.75)**	**(201,822.37)**
B)	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant and Equipment	(332.72)	(257.03)
	Sale of Property, Plant and Equipment	12.25	20.11
	Investment in Government Securities	(6.50)	0.00
	(Increase)/Decrease in Other Bank balances	(43.75)	(2.39)
	Dividend income on mutual funds	-	31.27
	Net Cash Flow from Investing Activities	**(370.72)**	**(208.04)**
C)	**Cash Flow from Financing Activities**		
	Short term borrowings including commercial papers	50,522.04	(272,893.78)
	Long Term Borrowings taken	500,500.00	683,812.77
	Long Term Borrowings repaid	(132,147.55)	(325,804.47)
	Proceeds from deposits accepted (net)	3,279.50	165.10
	Debt Securities (net)	(145,000.00)	119,859.96
	Dividend and dividend distribution tax paid	(3,210.48)	(3,205.26)
	Net Cash Flow from Financing Activities	**273,943.51**	**201,934.32**

Cash Flow Statement for the year ended March 31

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Increase/ (Decrease) in Cash & Cash Equivalents	40,080.03	(96.08)
	Cash & Cash Equivalents at the Beginning of the Year	73.42	169.49
	Cash & Cash Equivalents at the end of the Year [refer note 3(a)]	**40,153.45**	**73.42**
	Other Notes:		
	Cash and Cash equivalents include:		
	Cash on hand	65.07	27.25
	Cheques on hand	68.41	43.92
	Balance with Banks		
	- Current Accounts	19.97	2.25
	- Fixed Deposits	40,000.00	-
	Total	**40,153.45**	**73.42**

See accompanying notes forming part of the financial statements

For and on behalf of the Board

Bharati Rao
Chairperson
DIN: 01892516

S K Hota
Managing Director
DIN: 07491088

S M Bhandiwad
Wholetime Director
DIN: 08193978

G Naganathan
Director
DIN: 00423686

Dr Y Vijayanand
Director
DIN: 00594503

S Subramanian
Director
DIN: 07901414

Debashish Mukherjee
Director
DIN: 08193978

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

We have examined the above Cash Flow Statement of Can Fin Homes Limited for the period ended March 31, 2019. The statement has been prepared by the Company in accordance with the requirements of the listing agreements with the respective stock exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance sheet of the Company

As per our report of even date attached

For **Varma & Varma,**
Chartered Accountants
FRN:- 004532S

R. Kesavadas
Partner
Membership No: 23862

Place: Bangalore
Date: April 30, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Equity Share Capital	Share application money pending allotment	Reserves and Surplus					Other items of Other Comprehensive Income	Total
			Statutory Reserves	General Reserve	Securities Premium	Retained Earnings	Other Reserve		
Balance as at April 01, 2018	**2,663.08**	**-**	**18,600.00**	**49,547.80**	**27,297.54**	**37.75**	**50,508.38**	**43.95**	**146,035.42**
Equity shares issued during the year	-	-	-	-	-	-	-	-	-
Equity Shares forfeited	0.23	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	29,673.69	-	-	29,673.69
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	2.74	2.74
Dividends	-	-	-	-	-	-	-	-	-
Transfer to /from retained earnings	-	-	5,935.29	5,935.29	-	(20,610.02)	11,793.37	-	3,053.91
Dividends (including tax thereon)	-	-	-	-	-	(3,210.48)	-	-	(3,210.48)
Others	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**2,663.31**	**-**	**24,535.29**	**55,483.09**	**27,297.54**	**5,890.94**	**62,301.74**	**46.69**	**175,555.29**

(₹ in Lakh)

Particulars	Equity Share Capital	Share application money pending allotment	Reserves and Surplus					Other items of Other Comprehensive Income	Total
			Statutory Reserves	General Reserve	Securities Premium	Retained Earnings	Other Reserve		
Balance as at April 01, 2017	**2,662.02**	**47.62**	**12,500.00**	**37,547.80**	**27,250.97**	**1,023.78**	**39,335.91**	**1.76**	**117,707.85**
Equity shares issued during the year	1.06	-	-	-	-	-	-	-	-
Equity Shares forfeited	0.23	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	28,619.23	-	-	28,619.23
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	42.20	42.20
Transfer to /from retained earnings	-	(47.62)	6,100.00	12,000.00	46.57	(26,400.00)	11,172.46	-	2,871.41
Dividends (including tax thereon)	-	-	-	-	-	(3,205.26)	-	-	(3,205.26)
Others	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**2,663.31**	**-**	**18,600.00**	**49,547.80**	**27,297.54**	**37.75**	**50,508.38**	**43.95**	**146,035.43**

See accompanying notes forming part of the financial statements
As per our report of even date attached

For **Varma & Varma,**
Chartered Accountants
FRN:- 004532S

R. Kesavadas
Partner
Membership No: 23862

Place: Bangalore
Date: April 30, 2019

For and on behalf of the Board

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Director
DIN: 07901414

Veena G Kamath
Company Secretary

Notes forming part of Financial Statements

for the year ended March 31, 2019

1. Company Overview

Can Fin Homes Ltd (The Company)., set up under the sponsorship of Canara Bank, was incorporated in the year 1987, The Company is a housing finance institution approved by National Housing Bank (NHB), the apex authority of housing in the country. It is a listed company and its shares are traded in all the major stock exchanges in the country. The company has its head office in Bengaluru, Karnataka.

2. Summary of Significant Accounting Policies:

a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable read with Section 133 of the Companies act, 2013 (the "Act") and guidelines issued by National Housing Bank.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP and accordingly previous period has been restated to Ind-AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 43.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits.

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and disclosure of Contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

1. Measurement of Expected Credit Loss
2. Measurement of useful life of Property, Plant & Equipment
3. Estimation of Taxes on Income
4. Estimation of Employee Benefit Expense

d) Financial instruments

Initial recognition and measurement:

All financial instruments are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans, borrowings and payables are recognised net of directly attributable transaction costs. Subsequently, financial instruments are measured according to the category in which they are classified.

Subsequent measurement:

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non- derivative financial assets comprising

Notes forming part of Financial Statements

for the year ended March 31, 2019

amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Cash and cash equivalents are highly liquid instruments that are readily convertible into cash and which are subject to an insignificant risk of changes in value and comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

(ii) Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represents SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(iii) Debt Instruments at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

e) Statement of Cash Flows

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

Notes forming part of Financial Statements

for the year ended March 31, 2019

f) Property, plant and equipment

i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include directly attributable expenditure incurred up to the date the asset is ready for its intended use.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work- in-progress respectively. Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

ii) Depreciation:

Depreciation on tangible assets is provided on the Written Down Value method over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013, except in case of servers, where the useful life is estimated to be 3 years considering its nature, estimated usage, operating conditions, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation methods, useful life and residual values are reviewed atleast at each year end. Changes in expected useful life are treated as change in accounting estimate.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (major components) of property, plant and equipment.

g) Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease agreement.

Assets taken on finance lease

A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalised and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets taken on operating leases

Leases other than finance leases are operating leases, and the leased assets are not recognised on the Company's balance sheet. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

h) Impairment

i) Financial assets

Ind AS 109 establishes a credit risk impairment model based on expected losses. This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables. The impairment model under Ind AS 109 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet. Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) will be recognised if the credit risk has increased significantly since initial recognition (Stage 2) or have become credit impaired (Stage 3).

Notes forming part of Financial Statements

for the year ended March 31, 2019

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. Based on past experience, the company has developed the ECL model rebutting this presumption and uses 30 days past due as the trigger for confirming a significant increase in credit risk. The structure of the ECL model developed by the company is :

Stage	Assets
1	Standard Assets/SMA 0* assets
2	SMA 1 and SMA 2 Assets
3	Sub-standard, Doubtful and Loss Assets (all NPAs)

*SMA- Special Mention Accounts.

The Company assesses periodically and at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment allowances represent management's best estimate of the losses incurred within the loan portfolios at the balance sheet date. They are calculated on a collective basis for portfolios of loans of a similar nature and on an individual basis for significant loans. The calculation of both collective and specific impairment allowances is inherently judgmental. Collective impairment allowances are calculated using models which approximate the impact of current economic and credit conditions on large portfolios of loans. The inputs to these models are based on historical loss experience with judgement applied to determine the assumptions (for example the value of collateral) used to calculate impairment. The amount of provision for loan losses is calculated by multiplying the exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD).

EAD is the amount of outstanding in the account and the interest accrued. PD has been arrived at on the basis of the average of defaults over the past three years in the category to which the asset belongs. LGD is the amount of default expected to occur after considering the value of the security offered as collateral.

Being a housing finance company, the company has to follow the guidelines given by the National Housing Bank (NHB) on Prudential Norms on Asset Classification and provisioning requirement. The Prudential norms prescribed by NHB do not consider the value of security for standard and sub-standard assets. The company provides for impairment of financial assets on the basis of the Expected Credit Loss Model or the Prudential norms of NHB whichever is higher.

ii) Non-financial assets

The Company assesses at each Balance sheet date whether there is any objective evidence that a non-financial asset or a group of non-financial assets maybe impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the statement of profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

i) Employee Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

Notes forming part of Financial Statements

for the year ended March 31, 2019

The Company has the following employee defined contribution plans:

a) Employee State Insurance

The Company's contribution to state plans namely Employee's State Insurance Scheme is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

b) Employee Pension Scheme

The Company's contribution to state plans namely Employee's Pension Scheme is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

The Company has the following employee defined benefit plans:

a) Employee Provident Fund.

Liability in respect of contribution to Employee Provident fund is estimated on the basis of actuarial valuation in a manner similar to gratuity liability and is recognised in the balance sheet net of the fair value of the plan assets.

b) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days of last drawn salary for every completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds established as trusts and accounts for the liability for Gratuity benefits payable in the future based on actuarial valuation.

c) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

Actuarial gains or losses are recognized in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods.

d) Leave Travel Concessions:

All confirmed employees are entitled to leave travel concession once in two years, the liability in this respect is estimated on the basis of actuarial valuation in a manner similar to gratuity liability and is recognised in the balance sheet.

j) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Notes forming part of Financial Statements

for the year ended March 31, 2019

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k) Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenues are recognised when collectability of the resulting receivables is reasonably assured.

i) Interest

Interest income and expense are recognised in the statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

ii) Fees and Commission

Fees income are generated by 2 ways i.e., by direct proposal and by way of proposals sourced through DSAs.

In case of fees collected on directly sourced proposals, the entire fees will be amortised over the tenor of the loan and will be recognised as income on the basis of Effective Interest Rate calculation.

In case of fees collected on DSA sourced proposals, fees will be amortised over the tenor of the loan after reducing the DSA commission portion calculated by using weighted average on portfolio basis and the amount so derived will be recognised as income on the basis of Effective Interest Rate calculation.

The DSA commission portion thus segregated from processing fees will be kept in liability account till the stage of Disbursement. Upon disbursement amount will be accounted under fees income in proportion to disbursement. Further, as the same is considered as transaction cost incurred for origination of proposal, the said income will be recognised as income for the year and will not be considered for Effective Interest Rate calculation.

iii) Insurance Commission

Commission on sale of insurance policies are recognised on an accrual basis in accordance with the agreed rates with the Insurer.

iv) Income from Investments

Interest Income on Investments in government securities is recognized as it accrues in the statement of profit and loss, using the effective interest method and interest on other investments is recognised on accrual basis.

Notes forming part of Financial Statements

for the year ended March 31, 2019

v) Dividend Income

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

vi) Finance expense

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

l) Foreign Currency

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Transactions and Translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of transactions are recognised in the statement of profit and loss.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss.

m) Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income in which case is also recognised outside the statement of profit and loss.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred taxes

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits.

Deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

n) Earnings per share (EPS)

Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o) Segments

The Company is engaged mainly in the business of Housing finance. This in the context of Ind AS 108 – operating segments reporting are considered to constitute one reportable segment.

p) Recent Accounting Pronouncements

New and amended accounting standards and interpretations

Issued but not yet effective

The following new accounting standards and interpretations will become effective for future reporting periods and may have a significant impact on the income statement or net assets of the Group.

Applicable from April 01, 2019

New Accounting Standards

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from April 01, 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. The Company would be implementing Ind AS 116 with effect from Q1 2020. In accordance with the transition provisions of Ind AS 116, differences on adoption would be adjusted to retained earnings as on April 01, 2019. However, having regard to the significant complexities involved and pending adoption of the revised accounting policies by the Board of Directors, the company is unable to make any reasonable estimates regarding the impact of such initial application of the standard at this stage.

Amendments to Accounting Standards

On March 30, 2019, the MCA made the following amendments to accounting standards:

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period

Notes forming part of Financial Statements

for the year ended March 31, 2019

after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The Company does not expect any impact from this amendment.

Ind AS 111 - Joint Arrangements

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 3 (a) Cash and Cash Equivalents

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Cash on hand	65.07	27.25	43.70
(ii)	Balances with Banks	18.49	0.72	8.40
(iii)	Fixed deposits with less than 3 months maturity	40,000.00	-	-
(iv)	Cheques, drafts on hand	68.41	43.92	116.00
(v)	Others	1.48	1.53	1.39
	Total	**40,153.45**	**73.42**	**169.49**

(b) Balances with Banks other than in (a) above

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Unpaid Dividend (earmarked)	163.76	147.97	124.18
(ii)	Share Application Money Pending Allotment (earmarked)	0.11	0.11	47.62
(iii)	Balances with Bank held for SLR [refer Note 3.1 below]	1,708.06	1,680.11	1,654.00
	Total	**1,871.94**	**1,828.19**	**1,825.80**

3.1 The above deposits are held to comply with the Statutory Liquidity Assets required to be maintained under NHB Act. These carry a floating charge created in favour of trustees of depositors.

Note 4 Trade Receivables

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Unsecured (considered good)			
	Insurance commission receivable	13.91	21.05	-
(ii)	Receivables Secured (considered good)	-	-	-
(iii)	Receivables which have significant increase in Credit Risk	-	-	-
(iv)	Receivables - credit impaired	-	-	-
	Total	**13.91**	**21.05**	**-**
	Less: Allowance for impairment loss	-		-
	Net Total	**13.91**	**21.05**	**-**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 5 Loans

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019					
		Amortised Cost	At Fair Value			Sub total	Total
			Through OCI	At FVTPL	Designated at FVTPL		
A	**Loans**						
(i)	Loans repayable on Demand	-	-	-	-	-	-
(ii)	Term Loans	1,838,371.91	-	-	-	-	1,838,371.91
(iii)	Others	-	-	-	-	-	-
	Total	**1,838,371.91**	**-**	**-**	**-**	**-**	**1,838,371.91**
	Less: Impairment Loss Allowance	9,919.62	-	-	-	-	9,919.62
	Total	**1,828,452.29**	**-**	**-**	**-**	**-**	**1,828,452.29**
B.							
(i)	Secured by tangible assets (refer note 5.1 below)	1,838,302.33	-	-	-	-	1,838,302.33
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv)	Unsecured	69.58	-	-	-	-	69.58
	Total	**1,838,371.91**	**-**	**-**	**-**	**-**	**1,838,371.91**
	Less: Impairment Loss Allowance	9,919.62	-	-	-	-	9,919.62
	Total	**1,828,452.29**	**-**	**-**	**-**	**-**	**1,828,452.29**
C.							
	Loans in India		-	-	-	-	-
(i)	Public Sector	-	-	-	-	-	-
(ii)	Others	1,838,371.91	-	-	-	-	1,838,371.91
	Total	**1,838,371.91**	**-**	**-**	**-**	**-**	**1,838,371.91**
	Less: Impairment Loss Allowance	9,919.62	-	-	-	-	9,919.62
	Total	**1,828,452.29**	**-**	**-**	**-**	**-**	**1,828,452.29**
D.	**Loans outside India**						
	Less: Impairment Loss Allowance	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 5 Loans (Contd..)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2018					
		Amortised Cost	At Fair Value			Sub total	Total
			Through OCI	At FVTPL	Designated at FVTPL		
A	**Loans**						
(i)	Loans repayable on Demand	-	-	-	-	-	-
(ii)	Term Loans	1,574,462.32	-	-	-	-	1,574,462.32
(iii)	Others	-	-	-	-	-	-
	Total	**1,574,462.32**	**-**	**-**	**-**	**-**	**1,574,462.32**
	Less: Impairment Loss Allowance	10,061.83	-	-	-	-	10,061.83
	Total	**1,564,400.49**	**-**	**-**	**-**	**-**	**1,564,400.49**
B.							
(i)	Secured by tangible assets (refer note 5.1 below)	1,574,383.52	-	-	-	-	1,574,383.52
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv)	Unsecured	78.80	-	-	-	-	78.80
	Total	**1,574,462.32**	**-**	**-**	**-**	**-**	**1,574,462.32**
	Less: Impairment Loss Allowance	10,061.83	-	-	-	-	10,061.83
	Total	**1,564,400.49**	**-**	**-**	**-**	**-**	**1,564,400.49**
C.							
	Loans in India		-	-	-	-	-
(i)	Public Sector		-	-	-	-	-
(ii)	Others	1,574,462.32	-	-	-	-	1,574,462.32
	Total	**1,574,462.32**	**-**	**-**	**-**	**-**	**1,574,462.32**
	Less: Impairment Loss Allowance	10,061.83	-	-	-	-	10,061.83
	Total	**1,564,400.49**	**-**	**-**	**-**	**-**	**1,564,400.49**
D.	**Loans outside India**						
	Less: Impairment Loss Allowance		-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 5 Loans (Contd..)

(₹ in Lakh)

Sl. No.	Particulars	As at April 1, 2017					
		Amortised Cost	At Fair Value			Sub total	Total
			Through OCI	At FVTPL	Designated at FVTPL		
A	**Loans**						
(i)	Loans repayable on Demand		-	-	-	-	-
(ii)	Term Loans	1,331,469.92	-	-	-	-	1,331,469.92
(ii)	Others	-	-	-	-	-	-
	Total	**1,331,469.92**	**-**	**-**	**-**	**-**	**1,331,469.92**
	Less: Impairment Loss Allowance	9,056.11	-	-	-	-	9,056.11
	Total	**1,322,413.82**	**-**	**-**	**-**	**-**	**1,322,413.82**
B							
(i)	Secured by tangible assets (refer note 5.1 below)	1,331,469.92	-	-	-	-	1,331,469.92
(ii)	Secured by intangible assets	-	-	-	-	-	-
(iii)	Covered by Bank/Government Guarantees	-	-	-	-	-	-
(iv)	Unsecured	103.17	-	-	-	-	103.17
	Total	**1,331,573.10**	**-**	**-**	**-**	**-**	**1,331,573.10**
	Less: Impairment Loss Allowance	9,056.11	-	-	-	-	9,056.11
	Total	**1,322,516.99**	**-**	**-**	**-**	**-**	**1,322,516.99**
C	**Loans in India**						
(i)	Public Sector	-	-	-	-	-	-
(ii)	Others	1,331,469.92	-	-	-	-	1,331,469.92
	Total	**1,331,469.92**	**-**	**-**	**-**	**-**	**1,331,469.92**
	Less: Impairment Loss Allowance	9,056.11	-	-	-	-	9,056.11
	Total	**1,322,413.82**	**-**	**-**	**-**	**-**	**1,322,413.82**
D	**Loans outside India**	-					-
	Less: Impairment Loss Allowance	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**

Note 5.1 Loans and instalments due from borrowers are secured, partly secured or otherwise by:

(a) Equitable mortgage of property and/or

(b) Other securities, assignment of life insurance policies and/or

(c) Bank guarantees, company guarantees or personal Guarantees and/or

(d) Negative lien and/or

(e) Undertaking to create a security.

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 5.2

The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving market value of ₹1,123.88 (PY 2017-18: ₹667.62 lakhs), which are part of NPA portfolio aggregating to ₹810.94(PY 2017-18: ₹559.68 lakhs) for which necessary provisions have already been made. These assets are accounted as and when they are realised.

Note 5.3 Classification of loans and provisions made Standard and Non-performing assets is given hereunder.

(₹ in Lakh)

Particulars		Housing loans (including instalments due from borrowers)		Non Housing Loans	Total Loans	Provisions required as per NHB Norms			Additional Provisions			Total Provisions (also refer Note 40)
		Individuals	Corporate bodies			HL Individuals	Corporate bodies	Non housing loans	HL-Individuals	Corporate Bodies	Non housing	
As on March 31, 2019	Standard	1,517,601.35	1,135.24	308,108.60	1,826,845.19	3,792.13	8.51	2,707.97	6.38	-	-	6,515.00
	Sub-standard	5,067.00	271.80	858.18	6,196.98	760.05	40.77	128.73	32.59	-	-	962.14
	Doubtful 1	2,393.27	312.18	508.90	3,214.34	598.32	78.05	127.22	26.83	-	8.73	839.14
	Doubtful 2	463.32	-	101.60	564.92	185.33	-	40.64	2.38	-	-	228.35
	Doubtful 3	14.01	-	0.00	14.01	14.01	-	0.00	-	-	-	14.01
	Loss	1,271.80	39.76	49.44	1,360.99	1,271.80	39.76	49.44	-	-	-	1,360.99
	Total	**1,526,810.74**	**1,758.98**	**309,626.71**	**1,838,196.43**	**6,621.63**	**167.09**	**3,054.00**	**68.18**	**-**	**8.73**	**9,919.62**
As on March 31, 2018	Standard	1,403,299.15	17.20	164,252.21	1,567,550.68	3,508.25	0.17	2,032.38	934.20	-	-	6,475.00
	Sub-standard	4,422.81	20.93	868.34	5,312.08	663.42	3.14	130.25	597.71	17.79	738.09	2,150.40
	Doubtful 1	390.38	-	97.75	488.13	97.59	-	24.44	292.79	-	73.31	488.13
	Doubtful 2	142.54	-	14.35	156.89	57.02	-	5.74	85.52	-	8.61	156.89
	Doubtful 3	17.88	-	-	17.88	17.88	-	-	-	-	-	17.88
	Loss	614.81	-	158.72	773.53	614.81	-	158.72	-	-	-	773.53
	Total	**1,408,869.69**	**38.13**	**165,391.37**	**1,574,299.19**	**4,958.97**	**3.31**	**2,351.53**	**1,910.22**	**17.79**	**820.01**	**10,061.83**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 5.4

(i) The above classification of loans and provisions to be held are as per the guidelines on prudential norms issued by NHB as on March 31, 2019.

(ii) Provision of Non-performing assets is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹3,334.10 lakhs (Previous year ₹1,773.01 lakhs) against which the company, by way of prudence and abundant caution has maintained cumulative provision of ₹3,404.62 lakhs (Previous year ₹3586.83 lakhs). The Management has provided an additional provision of ₹69.22 Lakhs (PY 2017-18 ₹2,000.00 Lakhs) during the current year based on their estimate.

The Company holds 29.99 % provision against the Non-Performing Assets.

5.5 As per the National Housing Bank Circulars NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 & NHB.HFC.DIR.9 /CMD/2013 dated September 06, 2013, and vide notification no. NHB.HFC.DIR.18/MD&CEO/2017 dated August 02, 2017, all housing finance companies are required to carry a general provision (i) at the rate of 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing, (ii) at the rate of 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing and (iii) at the rate of 0.25% of the total outstanding amount of loans which are Standard Assets other than (i) and (ii) above. Loans to individuals for 3rd dwelling units onwards shall be treated as Commercial Real Estate (CRE) exposure. National Housing Bank (NHB) vide notification no. NHB.HFC.DIR.18/MD&CEO/2017 dated August 02, 2017 reduced the provisioning requirement on Standard Individual Housing Loans from 0.40% to 0.25%. In terms of the said notification, as of March 31, 2019, the Company carries a cumulative provision of ₹6508.62 lakhs (PY 2017-18 : 5,540.80 lakhs) which is higher than the revised regulatory requirement of minimum of ₹6,508.62 Lakhs (PY 2017-18 ₹5,540.80 Lakhs). Accordingly the Company has made provision for Standard assets as detailed below.

(₹ in Lakh)

Particulars	2018-19		2017-18	
	Outstanding	Provisions	Outstanding	Provisions
(i) Standard Assets – Commercial Real Estate	245,423.36	2,454.23	118,416.08	1,184.16
(ii) Standard Assets – Commercial Real Estate Residential Housing	1,135.24	8.51	97,840.15	978.40
(iii) Standard Assets – Other than (i) & (ii) above	1,580,286.59	4,045.87	1,351,294.45	3,378.24
Total Standard Assets & Provisions required	**1,826,845.19**	**6,508.62**	**1,567,550.68**	**5,540.80**
Total Provision held for Standard Assets		**6,515.00**		**6,475.00**

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 5.6 Asset Liability Management (Maturity Pattern of Certain items of Assets & Liabilities) as on March 31, 2019

Particulars	In Days			In Months			In Years					Total
	1-14 days	15 – 30	30-60	>2M	>3M	>6M	>1Y	>3Y	>5y	>7Y	>10Y	
				= 3M	=6M	=12M	=3Y	=5Y	=7Y	=10Y		
Liabilities												
Borrowings from Banks	123,949.01	40,694.44	3,015.87	7,590.87	28,801.19	35,102.38	165,409.52	165,409.52	142,914.19	170,199.17	2,499.58	885,585.75
Borrowings from NHB	7,564.37	-	-	-	7,443.00	14,576.16	50,532.95	42,055.26	37,710.93	18,440.03	18,800.00	197,122.70
Market Borrowings-												
Deposits	560.50	497.24	1,571.14	1,208.00	3,667.40	7,816.75	9,970.34	776.28	41.82	-	-	26,109.48
NCD/CP	12,500.00	30,000.00	44,000.00	30,000.00	10,000.00	211,500.00	122,200.00	100,000.00	10,000.00	-	-	570,200.00
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Assets												
Advances	9,198.69	-	9,236.46	9,823.97	28,657.79	60,081.06	246,295.84	248,326.94	259,569.32	342,689.08	624,317.28	1,838,196.43
Investments	40,000.00	-	-	520.00	1,005.06	683.01	-	-	100.00	1,000.00	-	43,308.06
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-	-

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 6 Investments

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019						
		Amortised Cost	At Fair Value			Sub total	Others	Total
			Through OCI	At FVTPL	Designated at FVTPL			
(i)	Mutual Funds	-	-	-	-	-	-	-
(ii)	Government Securities	1,006.50	-	-	-	-	-	1,006.50
(iii)	Other Approved Securities	600.00	-	-	-	-	-	600.00
(iv)	Others	-	-	-	-	-	-	-
(A)	**Total**	**1,606.50**	**-**	**-**	**-**	**-**	**-**	**1,606.50**
(i)	Investments outside India	-	-	-	-	-	-	-
(ii)	Investments in India	1,606.50	-	-	-	-	-	1,606.50
(B)	**Total**	**1,606.50**	**-**	**-**	**-**	**-**	**-**	**1,606.50**
	(A) - (B)	-	-	-	-	-	-	-
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-
	Total	**1,606.50**	**-**	**-**	**-**	**-**	**-**	**1,606.50**

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2018						
		Amortised Cost	At Fair Value			Sub total	Others	Total
			Through OCI	At FVTPL	Designated at FVTPL			
(i)	Mutual Funds	-	-	-	-	-	-	-
(ii)	Government Securities	1,499.75	-	-	-	-	-	1,499.75
(iii)	Other Approved Securities	100.00	-	-	-	-	-	100.00
(ix)	Others	-	-	-	-	-	-	-
(A)	**Total**	**1,599.75**	**-**	**-**	**-**	**-**	**-**	**1,599.75**
(i)	Investments outside India	-	-	-	-	-	-	-
(ii)	Investments in India	1,599.75	-	-	-	-	-	1,599.75
(B)	**Total**	**1,599.75**	**-**	**-**	**-**	**-**	**-**	**1,599.75**
	(A) - (B)	-	-	-	-	-	-	-
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-
	Total	**1,599.75**	**-**	**-**	**-**	**-**	**-**	**1,599.75**

Notes forming part of Financial Statements

for the year ended March 31, 2019

(₹ in Lakh)

Sl. No.	Particulars	As at April 1, 2017						
		Amortised Cost	At Fair Value			Sub total	Others	Total
			Through OCI	At FVTPL	Designated at FVTPL			
(i)	Mutual Funds	-	-	-	-	-	-	-
(ii)	Government Securities	1,499.13	-	-	-	-	-	1,499.13
(iii)	Other Approved Securities	100.00	-	-	-	-	-	100.00
(ix)	Others	-	-	-	-	-	-	-
(A)	**Total**	**1,599.13**	**-**	**-**	**-**	**-**	**-**	**1,599.13**
(i)	Investments outside India	-	-	-	-	-	-	-
(ii)	Investments in India	1,599.13	-	-	-	-	-	1,599.13
(B)	**Total**	**1,599.13**	**-**	**-**	**-**	**-**	**-**	**1,599.13**
	(A) - (B)	-	-	-	-	-	-	-
	Less: Impairment Loss Allowance	-	-	-	-	-	-	-
	Total	**1,599.13**	**-**	**-**	**-**	**-**	**-**	**1,599.13**

Note 6.1

The above investments are made to comply with the Statutory Liquidity Assets to be maintained under NHB Act. These carry a floating charge created in favour of trustees of depositors. The total investments under Statutory Liquidity Assets include ₹1,606.50 lakhs (PY 2017-18 ₹1,599.75 lakhs) [valued at amortised cost] in Government securities and other approved securities and ₹1,708.06.11 lakhs (PY 2017-18 ₹1,680.11 lakhs) in deposits with Nationalised Bank.

Note 6.2

Presentation of Investments as per Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by the National Housing Bank.

(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
Value of Investments			
i)	Gross Value of investments (valued at amortised cost)		
	a) In India	1,606.50	1,599.75
	b) Outside India	-	-
ii)	Provisions for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
iii)	Net value of Investments (valued at amortised cost)		
	a) In India	1,606.50	1,599.75
	b) Outside India	-	-
Movement of provisions held towards depreciation on investments			
i)	Opening Balance	-	-
ii)	Add Provisions made during the year	-	-
iii)	Less Write-off / Write-back of excess provisions during the year	-	-
iv)	Closing Balance	-	-

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 7 Trade Receivables

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Security deposits	216.03	182.76	162.62
(ii)	Interest income accrued on investment	35.88	20.81	21.58
(iii)	Staff advance	37.81	27.82	29.76
	Total	**289.73**	**231.40**	**213.96**

Note 8

8.1 Current Tax Assets (Net)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Advance Income tax (net of provision)*	2,062.39	1,380.86	289.20
	Total	**2,062.39**	**1,380.86**	**289.20**

*Includes amounts paid/adjusted under dispute.

8.2 Deferred Tax Assets (Net)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Deferred Tax Assets on:			
(i)	Property, plant and equipment	-	88.62	57.72
(ii)	Expected Credit Loss Provision	407.26	496.93	385.91
(iii)	Provision for employee benefits	298.54	952.54	731.32
(iv)	Financial assets/liabilities carried at amortised cost	1,753.66	785.46	-
	Total (A)	**2,459.45**	**2,323.56**	**1,174.95**
	Deferred Tax Liabilities on:			
(i)	Property, plant and equipment	58.70	-	-
(ii)	Financial assets/liabilities carried at amortised cost	-	-	80.97
	Total (B)	**58.70**	**-**	**80.97**
	Total (A) - (B)	**2,400.75**	**2,323.56**	**1,093.98**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 9 Property, Plant and Equipment

(₹ in Lakh)

Particulars	Tangible Assets								
	Land - Free Hold	Buildings	Furniture and Fixtures	Computers	Office equipment	Electrical equipment	Vehicles - cars	Vehicles - Two wheelers	Total
Gross Carrying Value or Deemed Cost :									
As at April 01, 2018	**98.69**	**207.45**	**998.28**	**629.89**	**69.04**	**649.02**	**81.47**	**102.41**	**2,836.25**
Additions	-	-	125.61	59.69	4.70	111.42	15.05	16.25	332.72
Disposals/Adjustments	-	-	7.88	12.76	0.82	20.71	4.15	3.27	49.59
As at March 31, 2019	**98.69**	**207.45**	**1,116.01**	**676.82**	**72.92**	**739.73**	**92.37**	**115.39**	**3,119.37**
Accumulated Depreciation									
As at April 01, 2018	**-**	**124.58**	**615.63**	**580.73**	**53.45**	**385.42**	**57.63**	**61.82**	**1,879.25**
Charge for the period	-	4.98	120.38	52.89	8.37	86.37	10.72	13.18	296.88
Disposals/Adjustments	-	-	5.23	12.71	0.78	16.46	3.78	2.96	41.92
As at March 31, 2019	**-**	**129.57**	**730.78**	**620.91**	**61.04**	**455.32**	**64.56**	**72.04**	**2,134.22**
Net Carrying Value as at March 31, 2019	**98.69**	**77.88**	**385.23**	**55.91**	**11.88**	**284.41**	**27.81**	**43.36**	**985.16**
Gross Carrying Value or Deemed Cost :									
As at April 01, 2017	**100.27**	**207.45**	**879.98**	**589.81**	**66.67**	**591.59**	**74.99**	**99.84**	**2,610.62**
Additions	-	-	123.04	40.34	2.75	71.50	10.96	8.45	257.03
Disposals/Adjustments	1.59	-	4.75	0.26	0.38	14.07	4.49	5.87	31.40
As at March 31, 2018	**98.69**	**207.45**	**998.28**	**629.89**	**69.04**	**649.02**	**81.47**	**102.41**	**2,836.25**
Accumulated Depreciation									
As at April 01, 2017	**-**	**119.27**	**500.62**	**517.97**	**41.48**	**310.85**	**50.62**	**52.84**	**1,593.65**
Charge for the period	-	5.31	118.84	63.02	12.32	84.88	10.73	13.56	308.66
Disposals/Adjustments	-	-	3.83	0.26	0.34	10.32	3.73	4.58	23.06
As at March 31, 2018	**-**	**124.58**	**615.63**	**580.73**	**53.45**	**385.42**	**57.63**	**61.82**	**1,879.25**
Net Carrying Value as at March 31, 2018	**98.69**	**82.87**	**382.64**	**49.17**	**15.59**	**263.61**	**23.84**	**40.60**	**957.00**

1. Freehold land includes value of undivided share in the land in case of certain properties.

Note 10 Other Non-financial Assets

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Advance to employees	2.98	1.62	1.06
(ii)	Advance to capital vendors	6.00	-	-
(iii)	GST Input Credit	35.29	17.27	-
(iv)	Others	103.56	118.38	176.14
	Total	**147.84**	**137.27**	**177.20**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 11 Payables

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	Trade Payables:			
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	215.89	869.61	232.67
	Other Payables			
(i)	total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	Total	**215.89**	**869.61**	**232.67**

11.1 Trade payables include ₹Nil (Previous Year ₹Nil) payable to "Suppliers" registered under The Micro, Small & Medium Enterprises Development Act 2006. No interest has been paid by the company during the year to the "suppliers" covered under The Micro, Small & Medium Enterprises Development Act, 2006. The above information takes into account only those suppliers who have responded to enquiries made by the company for this purpose.

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 12 Debt Securities

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
		At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total
(i)	Liability component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Others:												
	Secured Redeemable Non Convertible Non-Cumulative Debentures (refer Note 12.1 below)	335,015	-	-	335,015	479,827	-	-	479,827	359,757	-	-	359,757
	Unsecured Redeemable Non Convertible Debenture (refer Note 12.2 below)	10,000	-	-	10,000	10,000	-	-	10,000	10,000	-	-	10,000
(A)	**Total**	**345,015**	**-**	**-**	**345,015**	**489,827**	**-**	**-**	**489,827**	**369,757**	**-**	**-**	**369,757**
	Debt securities in India	345,015			345,015	489,827			489,827	369,757			369,757
	Debt securities outside India	-	-	-	-	-	-	-	-	-	-	-	-
(B)	**Total**	**345,015**	**-**	**-**	**345,015**	**489,827**	**-**	**-**	**489,827**	**369,757**	**-**	**-**	**369,757**
	(A) - (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

12.1 During the year the Company has not issued any Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures (previous year ₹1,40,000 lakhs). These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose.

Notes forming part of Financial Statements

for the year ended March 31, 2019

The details of the Secured Redeemable Non Convertible Taxable Debentures as on March 31, 2019 are as follows:

Debentures	Date of Issue	Date of Redemption	Rate of Interest	Rupees In lakhs
8.60% SRNCD 2015 Series 7	7-Jan-16	6-Apr-19	8.60%	12,500.00
8.85% SRNCD 2015 Series 8	17-Feb-16	17-May-19	8.85%	16,500.00
8.55% SRNCD 2015 Series 10	27-May-16	27-Aug-19	8.55%	10,000.00
7.85% SRNCD 2016 Series 1	16-Sep-16	16-Dec-19	7.85%	30,000.00
7.73% SRNCD 2016 Series 2	24-Oct-16	24-Jan-20	7.73%	44,000.00
7.57% SRNCD 2016 Series 4	12-Jan-17	12-Apr-20	7.57%	40,000.00
7.68% SRNCD 2016 Series 5	27-Feb-17	27-May-20	7.68%	20,000.00
8.69% SRNCD 2015 Series 2	10-Sep-15	10-Sep-20	8.69%	10,000.00
7.32% SRNCD 2017- Series 1	26-Jul-17	26-Oct-20	7.32%	40,000.00
7.44% SRNCD 2017 Series 2	17-Oct-17	17-Jan-21	7.44%	20,000.00
7.64% SRNCD 2017 Series 3	29-Nov-17	26-Feb-21	7.64%	20,000.00
7.77% SRNCD 2016- Series 3	15-Nov-16	15-Nov-21	7.77%	12,200.00
7.89% SRNCD 2016 Series 6	18-May-17	18-May-22	7.89%	60,000.00
Total				**335,200.00**

12.2 Further, the Company has issued Unsecured Debentures in the nature of Tier II capital worth ₹10,000 lakhs in the financial year 2014-15 for a term of 10 years through private placement. These Debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2019, 100% of the book value of the subordinated debt is considered as Tier II Capital for the purpose of Capital Adequacy computation.

The details of the Unsecured Non Convertible Debentures in the nature Tier II capital as on March 31, 2019 are as follows:

Particulars	Date of Issue	Date of Redemption	Rate of Interest	Amount in lakhs
8.94% CFHL UNCD 2014	3-Dec-14	3-Dec-24	8.94%	10,000.00

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 13 Borrowings (other than debt Securities)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
		At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total
(a)	Term Loans								-				-
	Secured												
(i)	from Banks [1] & [2]	630,904.75	-	-	630,904.75	305,409.54	-	-	305,409.54	386,312.83	-	-	386,312.83
(ii)	from other parties	-	-	-	-		-	-	-		-	-	-
	Unsecured				-								
(i)	from Banks	42,855.85	-	-	42,855.85	49,999.99	-	-	49,999.99	-	-	-	-
(ii)	from others	-	-	-	-		-	-	-	-	-	-	
(b)	Deferred Payment Liabilities:												
	Commercial Paper (refer note 13.4 below)	215,610.71	-	-	215,610.71	207,561.56	-	-	207,561.56	232,061.75	-	-	232,061.75
(c)	Loans from related parties												
	- From Canara Bank												
	- Term Loans (Secured)	250,000.00	-	-	250,000.00	199,999.97	-	-	199,999.97	119,902.31	-	-	119,902.31
	- Loans repayable on demand (Unsecured)	11,106.31	-	-	11,106.31	27,505.30	-	-	27,505.30	25,109.54	-	-	25,109.54
	- Loans repayable on demand (Secured)	71,645.03	-	-	71,645.03	29,299.43	-	-	29,299.43	24,170.32	-	-	24,170.32
(d)	Finance lease obligations	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Liability component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Loans repayable on demand				-								

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 13 Borrowings (other than debt Securities) (Contd..)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
		At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total
	Secured:												
(i)	from Banks [1]	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	from other parties	-	-	-	-		-	-	-		-	-	-
	Unsecured				-								
(i)	from Banks [1]	76,196.50	-	-	76,196.50	59,668.87	-	-	59,668.87	6,773.40	-	-	6,773.40
(g)	Other loans	-	-	-	-	-	-	-	-	-	-	-	-
(A)	**Total**	**1,298,319.16**	**-**	**-**	**1,298,319.16**	**879,444.67**	**-**	**-**	**879,444.67**	**794,330.15**	**-**	**-**	**794,330.15**
	Borrowings in India	1,298,319.16			1,298,319.16	879,444.67			879,444.67	794,330.15			794,330.15
	Borrowings outside India	-	-	-	-	-	-	-	-	-	-	-	-
(B)	**Total**	**1,298,319.16**	**-**	**-**	**1,298,319.16**	**879,444.67**	**-**	**-**	**879,444.67**	**794,330.15**	**-**	**-**	**794,330.15**
	(A) - (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1] Borrowings from Banks which are also related parties are shown separately under Loan from related parties in Sl No. (c) above

[2] Includes borrowings outstanding aggregating to ₹1,97,122.70 lakhs from National Housing Bank.

13.1 Secured loans include borrowings from National Housing Bank, Canara Bank, HDFC Bank, and State Bank of India are secured by way of specific charge on book debts, outstanding, receivables, etc.,/ promissory notes and / or a negative lien on assets of the Company. The tenure of the Long term borrowings are more than one year and upto 15 years and that of short term borrowings is less than 1 year.

13.2 There is no amount of continuing default as on the Balance Sheet date in terms of repayment of loans & interest on Borrowings of the Company.

Notes forming part of Financial Statements

for the year ended March 31, 2019

13.3 Details of Rate of Interest and Terms of Repayment in case of term loans:

Sl. No	Name of the Bank	Facility	Sanctioned Amt (₹ in lakhs)	Date of Sanction	Interest Rate	Terms of Repayment
1	Canara Bank	Term loan	50,000	November 02, 2018	8.35%	Each Tranche Repayable in 10 equal yearly installments after a moratorium/ repayment holiday period of 12 months from the date of first disbursement
2	Canara Bank	Term loan	50,000	February 27, 2018	8.35%	Each Tranche Repayable in 10 equal yearly installments after a moratorium/ repayment holiday period of 12 months from the date of first disbursement
3	Canara Bank	Term loan	150,000	August 21, 2017	8.35%	Each Tranche Repayable in 10 equal yearly installments after a moratorium/ repayment holiday period of 12 months from the date of first disbursement
4	State Bank of India	Term loan	50,000	April 12, 2016	8.25%	Repayable in 40 quarterly instalments of ₹12.50 crores
5	State Bank of India	Term loan	100,000	April 23, 2018	8.25%	Repayable in 40 quarterly instalments of ₹25.00 crores
6	State Bank of India	Term loan	50,000	January 29, 2018	8.25%	Repayable in 40 quarterly instalments of ₹12.50 crores
7	State Bank of India	Term loan	18,000	January 29, 2018	8.25%	Repayable in 40 quarterly instalments of ₹4.50 crores
8	State Bank of India	Term loan	100,000	December 31, 2018	8.35%	Repayable in 40 quarterly instalments of ₹25.00 crores
9	HDFC Bank	Term loan	30,000	January 20, 2018	6.95%	28 Equal Quarterly Installments
10	HDFC Bank	Term loan	25,500	May 16, 2018	7.80%	28 Equal Quarterly Installments
11	HDFC Bank	Term loan	50,000	March 07, 2019	8.40%	Equal Monthly Principal Installments
12	Corporation Bank	Term loan	25,000	March 27, 2019	8.50%	10 Equal Annual installment of ₹25 crores
13	Federal Bank	Term loan	25,000	February 08, 2018	7.90%	28 Equal Quarterly Installments
14	Federal Bank	Term loan	25,000	February 08, 2018	7.90%	28 Equal Quarterly Installments

13.4 Commercial Paper of the Company have a maturity value of ₹2,25,000.00 lakhs (previous year ₹2,15,000.00 lakhs), the details of the are as follows:

Sl. No	Value Date	Due Date	Period in days	Discount Rate	Face value in lakhs
1	November 05, 2018	October 31, 2019	360	9.10%	37,500.00
2	November 15, 2018	May 14, 2019	180	8.75%	27,500.00
3	January 02, 2019	June 28, 2019	177	8.28%	30,000.00
4	January 03, 2019	December 26, 2019	357	8.62%	30,000.00
5	January 30, 2019	April 30, 2019	90	7.42%	30,000.00
6	February 08, 2019	February 07, 2020	364	8.37%	20,000.00
7	February 14, 2019	February 14, 2020	365	8.25%	20,000.00
8	March 08, 2019	February 25, 2020	354	8.25%	30,000.00
	Total				**225,000.00**

Notes forming part of Financial Statements for the year ended March 31, 2019

Note 14 Deposits

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019				As at March 31, 2018				As at April 1, 2017			
		At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total	At Amortised Cost	At FVTPL	Designated at FVTPL	Total
	Deposits												
(i)	Public Deposits [refer note 14.1 below]	22,108.14	-	-	22,108.14	20,441.11	-	-	20,441.11	18,698.10	-	-	18,698.10
(ii)	From Banks	-	-	-	-	-	-	-	-	-	-	-	-
(iii)	From Others:												
	Exempted Deposits	4,001.34	-	-	4,001.34	2,388.87	-	-	2,388.87	3,966.78	-	-	3,966.78
	Total	**26,109.48**	**-**	**-**	**26,109.48**	**22,829.98**	**-**	**-**	**22,829.98**	**22,664.88**	**-**	**-**	**22,664.88**

14.1 As per the directions of the National Housing Bank, the Company has created floating charge on Statutory Liquid Assets (Investments in Govt. Securities (including other approved securities) and Deposits in Commercial Banks) in favour of the Trustees of the depositors in a manner prescribed by the National Housing Bank in terms of sub-sections (1) & (2) of section 29B of the NHB Act, 1987 [Refer Note 3.1 and 6.1].

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 15 Other Financial Liabilities

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Interest accrued on borrowings	18,564.86	22,798.83	15,050.65
(ii)	Unpaid matured deposits and interest accrued thereon [refer Note 15.1 below]	1,981.94	881.23	2,009.45
(iii)	Unpaid Dividend (refer 15.2 below)	163.76	147.97	125.98
(iv)	Due to customers/borrowers	86.35	77.17	42.15
	Total	**20,796.92**	**23,905.21**	**17,228.23**

15.1 As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹5.19 lakhs (Previous Year ₹10.41 lakhs) to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2019, except to the extent of ₹59.34 lakhs (previous year ₹56.37 lakhs) in respect of claims that are disputed. As of March 31, 2019, no amount was due for transfer to the IEPF.

15.2 There are no dividends which are pending to be transferred to Investor Education and Protection Fund as per Sec 125 of the Companies Act, 2013 as at year end.

Note 16 Provisions

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Provision for Income Tax (net of advance tax)	154.24	344.42	-
(ii)	Provision for Employees Benefit (Refer Note 36)	1,608.45	2,117.45	2,113.04
(iii)	Provision for contingencies	900.97	900.97	600.00
	Total	**2,663.65**	**3,362.84**	**2,713.04**

Note 17 Other Non Financial Liabilities

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Revenue received in advance	5,518.83	2,765.05	309.45
(ii)	Statutory Dues	195.63	270.95	125.12
(iii)	Other Payables:			
	(i) Cheques pending presentation	68.41	45.38	116.00
	(ii) Cheques pending realisation	38.00	54.99	259.27
	(iii) Time barred cheques	115.44	80.80	110.46
	(iv) Other monies received in advance	119.17	309.34	89.95
	(v) Others	589.71	488.01	493.39
	Total	**6,645.21**	**4,014.51**	**1,503.64**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 18 Equity Share Capital

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	**Authorised:**			
	35,00,00,000 Equity Shares of ₹2 each (PY 2017-18: 35,00,00,000 Equity Shares of ₹2 each and PY 2016-17: 7,00,00,000 Equity Shares of ₹10 each)	7,000.00	7,000.00	7,000.00
(ii)	**Issued and Subscribed:**			
	13,32,27,875 Equity Shares of ₹2 each (PY 2017-18: 13,32,27,875 Equity Shares of ₹2 each and PY 2016-17: 2,66,45,575 Equity Shares of ₹2 each)	2,664.56	2,664.56	2,664.56
(iii)	**Paid up:**			
	13,31,54,125 Equity shares of ₹2 each (PY 2017-18: 13,31,54,125 Equity shares of ₹2 each and PY 2016-17: 2,66,20,242 Equity shares of ₹10 each)	2,663.08	2,663.08	2,662.02
	Add : Forfeited Shares	0.23	0.23	0.23
	Total	**2,663.31**	**2,663.31**	**2,662.25**

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. (of ₹2 each)	₹ in lakhs	No. (of ₹2 each)	₹ in lakhs	No. (of ₹2 each)	₹ in lakhs
Equity Shares outstanding as at the beginning of the year	13,31,54,125	2,663.31	13,31,01,210	2,662	2,66,20,242	2,662
Add: Equity shares issued during the year (Refer Note 18.2)	-	-	52,915	1.06	-	-
Equity Shares outstanding as at the end of the year	**13,31,54,125**	**2,663.31**	**13,31,54,125**	**2,663.31**	**2,66,20,242**	**2,662.25**

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	No. (of ₹2 each)	% of shares held to total shares	No. (of ₹2 each)	% of shares held to total shares	No. (of ₹2 each)	% of shares held to total shares
Canara Bank	3,99,30,365	29.99	3,99,30,365	29.99	79,86,358	30.00
Chhattisgarh Investments Ltd	1,19,79,411	9.00	1,30,13,105	9.78	26,70,000	10.03
Caladium Investment Pte Ltd	1,79,04,245	13.45	1,79,04,245	13.45	35,80,849	13.45

Notes forming part of Financial Statements

for the year ended March 31, 2019

18.1 During the Financial Year 2017-18 the Company has subdivided the face value of its equity shares from ₹10 each to ₹2 each w.e.f October 13, 2017 (Record date). In view of the same, the number of equity shares under Authorised Capital has increased to 35,00,00,000 shares of ₹2 each, the number of equity shares under Issued & Subscribed Capital has increased to 13,32,27,875 shares of ₹2 each and the number of equity shares under Paid up Capital has increased to 13,31,01,210 shares of ₹2 each. Consequent to sub-division and for the reasons stated in Note no. 18.2 the aggregate number of Paid up Equity shares of the Company as at March 31, 2018 stands at 13,31,54,125 shares of ₹2 each.

18.2 During the financial year 2017-18, 52,915 equity shares of ₹2 each (in lieu of 10,583 equity shares of ₹10 each, which were kept in abeyance during the Rights Issue made by the Company in March 2015) were allotted as per the judgement of Hon'ble High Court of Kerala.

18.3 Terms and rights attached to Equity Shares: The Company has one class of Equity shares having a face value of ₹2/- per share and each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholdings.

18.4 For the period of five years immediately preceding the FY 2018-19

(A) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash is NIL

(B) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares is NIL

(C) Aggregate number and class of shares bought back is NIL

Note 19 Other Equity

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	**Special Reserve (created as per requirement of Income Tax Act - Section 36(1)(viii)):**			
	Balance at the beginning of the year	45,421.00	37,121.00	30,721.00
	Transferred from Profit and Loss Account (refer Note 19.1 below)	8,739.45	8,300.00	6,400.00
	Balance at the end of the year (A)	**54,160.45**	**45,421.00**	**37,121.00**
	Cumulative Tax effect on special reserve at the beginning of the year	5,087.38	2,214.91	-
	Tax effect for the year	3,053.91	2,872.46	2,214.91
	Cumulative Tax effect at the end of the year (B)	**8,141.29**	**5,087.38**	**2,214.91**
	Total (A)+(B)	**62,301.74**	**50,508.38**	**39,335.91**
(ii)	**General Reserve**			
	Balance at the beginning of the year	49,547.80	37,547.80	15,655.21
	Add/ (Less):- Adjustment to retained earnings due to adoption of Ind AS	-	-	12,692.59
	Add: Transferred from Profit and Loss Account	5,935.29	12,000.00	9,200.00
	Balance at the end of the year	**55,483.09**	**49,547.80**	**37,547.80**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 19 Other Equity (Contd..)

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(iii)	**Statutory Reserve (created as per the requirement of Section 29C of the NHB Act, 1987)**			
	Balance at the beginning of the year	18,600.00	12,500.00	7,700.00
	Add: Transferred from Profit and Loss Account (refer Note 19.1 below)	5,935.29	6,100.00	4,800.00
	Balance at the end of the year	**24,535.29**	**18,600.00**	**12,500.00**
(iv)	**Securities Premium Reserve**			
	Balance at the beginning of the year	27,297.54	27,250.97	27,250.97
	Add: Received during the year	-	46.57	-
	Balance at the end of the year	**27,297.54**	**27,297.54**	**27,250.97**
(v)	**Profit and Loss Account**			
	Balance at the beginning of the year	81.71	1,025.54	114.57
	Add: Profit for the year	29,676.43	28,661.43	21,310.97
	Add/ (Less):- Transferred to Special Reserve (refer Note 19.1 below)	(8,739.45)	(8,300.00)	(6,400.00)
	Add/ (Less):- Transferred to Statutory Reserve (refer Note 19.1 below)	(5,935.29)	(6,100.00)	(4,800.00)
	Add/ (Less):- Transferred to General Reserve	(5,935.29)	(12,000.00)	(9,200.00)
	Add/ (Less):- Dividend (refer Note 19.2 & 19.3 below)	(2,663.08)	(2,663.08)	-
	Add/ (Less):- Corporate Dividend Tax thereon	(547.40)	(542.18)	-
	Balance at the end of the year	**5,937.63**	**81.71**	**1,025.54**
(vii)	**Share application money pending allotment**			
	Balance at the beginning of the year	-	47.62	47.62
	Less: Allotted during the year	-	(47.62)	-
	Balance at the end of the year	-	-	47.62
	Total	**175,555.29**	**146,035.42**	**117,707.85**

19.1: As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer u/s 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹8,739.45 lakhs (previous year ₹8,300 lakhs) to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹5,935.29 lakhs (previous year ₹6,100 lakhs) to Additional Reserve u/s 29C of the NHB Act, 1987 during the FY 2018-19.

19.2: The Company has paid dividend of ₹2/- per share on the equity shares of face value of ₹2/- each pertaining to FY 2017-18, post approval by the members in the 31st AGM held on 18th July, 2018.

19.3: The Board of Directors, have recommended final dividend of ₹2/- per equity share, this dividend will be paid after the approval of the members at the ensuing AGM. According to the requirements of Ind AS 10- Events occurring after Balance sheet date, the dividend declared and tax thereon shall only be recognised as a liability in the books of account in the year in which the dividends are declared on approval by members. The total estimated dividend on equity shares and dividend tax to be paid is ₹2,663.08 lakhs and ₹547.40 lakhs respectively.

Notes forming part of Financial Statements

for the year ended March 31, 2019

19.4 Presentation of Reserve Fund as per NHB's policy circular reference NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 07, 2014 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by National Housing Bank.

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Reserve (As per section 29C of the National Housing Bank Act, 1987)		
Opening Balance	18,600.00	12,500.00
Additions during the year	5,935.29	6,100.00
Appropriations during the year	-	-
Closing Balance	**24,535.29**	**18,600.00**

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	18,600.00	12,500.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987 (excluding tax effect)	45,421.00	37,121.00
Total		
Addition/ Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	5,935.29	4,800.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	8,739.45	8,300.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	**24,535.29**	**17,300.00**
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	**54,160.45**	**45,421.00**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 20 Interest Income

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
		On Financial assets measured			On Financial assets measured		
		At FVTOCI	At Amortised Cost	At FVTPL	At FVTOCI	At Amortised Cost	At FVTPL
(i)	Interest on Loans	-	169,728.39	-	-	148,845.28	-
(ii)	Interest income from investments	-	100.90	-	-	97.96	-
(iii)	Interest on deposits with Banks	-	125.60	-	-	115.20	-
	Total	**-**	**169,954.89**	**-**	**-**	**149,058.44**	**-**

Note 21 Fee and Commission Income

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Processing and other fee	2,660.54	2,706.65
(ii)	Insurance commission income	79.68	19.49
	Total	**2,740.22**	**2,726.14**

Note 22 Other Income

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Profit on sale of fixed assets	4.58	11.77
(ii)	Provision no longer required written back	2.15	274.78
(iii)	Dividend Income from Investment in Mutual funds	-	31.27
(iv)	Bad debts recovered	432.71	95.70
	Total	**439.45**	**413.52**

Note 23 Finance Costs

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Financial Instruments recognised at Amortised cost:		
(i)	Interest on deposits	1,813.65	1,870.25
(ii)	Interest on borrowings	80,569.69	57,718.04
(iii)	Interest on debt securities	34,200.67	37,731.61
(iv)	Other charges	325.90	782.55
	Total	**116,909.92**	**98,102.45**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 24 Fees and Commission Expense

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Direct Selling Agents' Commission	1,035.87	916.05
(ii)	CIBIL and other Fee	49.23	40.51
	Total	**1,085.10**	**956.57**

Note 25 Employee Benefits Expenses

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Salaries and wages	3,613.88	3,516.97
(ii)	Contribution to provident and other funds	486.01	912.02
(iii)	Staff welfare expenses	27.60	41.22
(iv)	Others	12.43	11.34
	Total	**4,139.92**	**4,481.55**

Note 26 Depreciation Expense

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on plant, property and equipment (refer Note 9)	296.88	308.66
Total	**296.88**	**308.66**

Note 27 Other Expenses

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i)	Rent, taxes and energy costs	1,330.72	1,158.67
(ii)	Repairs and maintenance	97.88	90.16
(iii)	Communication costs	121.01	125.23
(iv)	Printing and stationery	55.90	42.91
(v)	Advertisement and publicity	117.42	130.76
(vi)	Director's sitting fees	22.70	15.60
(vii)	Auditor's fees and expenses (refer Note 27.1 below)	57.86	43.56
(viii)	Legal and professional charges	217.37	172.96
(ix)	Corporate Social Responsibility Expenses (refer Note 45)	606.24	337.85

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 27 Other Expenses (Contd..)

(₹ in Lakh)

Sl. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(x)	Insurance charges	53.18	56.38
(xi)	Travelling and conveyance	240.83	185.63
(xii)	Bank charges	22.14	22.96
(xiii)	General expenses	38.92	35.02
(xiv)	Rates and tax	157.71	160.75
(xv)	Professional fee- IBS (refer Note 27.2 below)	354.60	329.23
(xvi)	Miscellaneous expenses	148.56	122.82
	Total	**3,643.04**	**3,030.47**

27.1 Auditor's remuneration (net of GST)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Audit Fees (Including Branch Statutory Auditors fees and Tax audit)	48.16	37.36
Tax Matters	0.3	-
Other Services (Certification etc.,)	2.5	1.46
Out of Pocket Expenses	6.90	4.75
Total	**57.86**	**43.56**

27.2 The Company has entered into lease cum licence agreement with M/s Encore Theme Technologies Pvt. Ltd., for implementation of Integrated Business Suit (IBS) software. The expenditure incurred in this regard amounting to ₹354.60 lakhs (Previous Year ₹329.23 lakhs) is charged off to the P & L account under Professional fees – IBS.

Note 28 Operating Lease

Future minimum lease payments under non- cancelable operating leases

The Company has various operating leases, mainly for office buildings. Lease rental expense under non-cancellable operating lease during the year ended March 31, 2019 amounted to ₹1,144.24 lakhs (for the year ended March 31, 2018 : ₹991.21 lakhs, for the year ended March 31, 2017 : ₹796.80 lakhs). The company does not have any operating lease which has minimum lock-in period clause during the tenor of the rental agreements and hence there are no future minimum lease payments under non-cancellable operating lease at the end of the year.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 29 Financial Assets

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Cash and Cash Equivalents	42,025.39	1,901.61	1,995.29
(ii)	Trade Receivables	13.91	21.05	-
(iii)	Loans			
	Term Loans	1,838,371.91	1,574,462.32	1,331,469.92
	Less: Impairment Loss Allowance [refer Note 40(i)]	9,919.62	10,061.83	9,056.11
	Sub Total	**1,828,452.29**	**1,564,400.49**	**1,322,413.82**
(iv)	Investments	1,606.50	1,599.75	1,599.13
(v)	Other Financial Assets	289.73	231.40	213.96
	Total	**1,872,387.83**	**1,568,154.30**	**1,326,222.20**

Note 30 Financial Liabilities

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i)	Trade Payables	215.89	869.61	232.67
(ii)	Debt Securities	345,015.05	489,827.41	369,756.84
(iii)	Borrowings	1,298,319.16	879,444.67	794,330.15
(iv)	Deposits	26,109.48	22,829.98	22,664.88
(v)	Other Financial Liabilities	20,796.92	23,905.21	17,228.23
	Total	**1,690,456.49**	**1,416,876.88**	**1,204,212.76**

Note 31 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Expected Credit Loss (refer Note 5 & 31.1)	9,919.62	10,061.83	9,056.11
Provision for Employee Benefits (refer Note 31.2 below)	1,608.45	2,117.45	2,113.04
Provision for contingencies (refer Note 31.3 below)	900.97	900.97	600.00
Total Provision	**12,429.04**	**13,080.25**	**11,769.15**

The disclosure of provisons movement as required under IND AS 37- Provision, Contingent Liabilities and Contingent Assets is as follows.

Notes forming part of Financial Statements

for the year ended March 31, 2019

31.1 Provision for Expected Credit Loss

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	10,061.83	9,056.11
Provisions made during the year	109.22	2,590.07
Utilisations during the year	-	-
Released during the year	251.43	1,584.35
Provision at the end of the year	**9,919.61**	**10,061.83**

31.2 Provision for Employee Benefits

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	2,117.45	2,113.04
Provisions made during the year	10,990.91	11,307.58
Utilisations during the year	(679.32)	(340.38)
Released during the year	-	-
Provision at the end of the year	**12,429.04**	**13,080.25**

31.3 Provision for Contingencies

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	900.97	600.00
Provisions made during the year	-	300.97
Utilisations during the year	-	-
Released during the year	-	-
Provision at the end of the year	**900.97**	**900.97**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 32 Income Tax

32.1 Income Tax Expense in statement of profit and loss

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current income tax:		
In respect of the current year	17,203.91	16,075.46
In respect of earlier years	151.54	(334.38)
Deferred tax:		
In respect of the current year	(78.67)	(1,251.91)
Income tax expense recognised in the statement of profit or loss	**17,276.79**	**14,489.17**
Income tax recognised in other comprehensive income		
(i) Current tax arising on income and expense recognised in other comprehensive income	-	-
Net loss / (gain) on remeasurement of defined benefit plan	-	-
(ii) Deferred tax arising on income and expense recognised in other comprehensive income	1.47	22.33
Total	**1.47**	**22.33**

32.2 Reconciliation between provision of Income Tax of the company and amounts computed by applying the Indian Statutory Income tax rate to profit before taxes :

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit Before Tax	46,950.48	43,108.40
Enacted Income Tax Rate in India (%)	34.94	34.61
Computed Tax Expense	16,406.38	14,918.87
Effect of :		
Income tax pertaining to earlier years	151.54	(334.38)
Ind AS adjustments (Net)	1,085.78	(888.77)
Allowances/exemptions under income tax	(528.98)	(179.06)
Non-deductible expenses for tax purposes	322.32	309.45
Others	(160.26)	663.06
Income tax expense recognised in the statement of profit and loss	**17,276.79**	**14,489.17**

The tax rates under Indian Income Tax Act, for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61% respectively.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 33

Deferred Tax assets/(liabilities) as at March 31, 2019 in relation to :

(₹ in Lakh)

Particulars	As at April 1, 2018	Recognised in profit and loss	Recognised in OCI	As at March 31, 2019
Property,plant and Equipment	88.62	(147.32)	-	(58.70)
Expected Credit Loss	496.93	(89.68)	-	407.26
Provision for employee benefits	952.54	(652.53)	(1.47)	298.54
Financial assets carried at amortised cost	785.46	968.20	-	1,753.66
Total	**2,323.56**	**78.67**	**(1.47)**	**2,400.75**

Deferred Tax assets/(liabilities) as at March 31, 2018 in relation to :

(₹ in Lakh)

Particulars	As at April 1, 2017	Recognised in profit and loss	Recognised in OCI	As at March 31, 2018
Deferred Tax Assets				
Property,plant and Equipment	57.72	30.90	-	88.62
Provision for Doubtful Debts	385.91	111.02	-	496.93
Provision for compensated absence	731.32	221.22	-	952.54
Deferred tax relating to Ind AS Adjustment	(80.98)	888.77	(22.33)	785.46
Total	**1,093.98**	**1,251.91**	**(22.33)**	**2,323.56**

Note 34 Deferred Tax Liability on Special Reserves

The Company was creating a Special Reserve in accordance with Section 36(1)(viii) of the Income tax Act, 1961 which was eligible as a tax deduction for income tax purposes. Accordingly, as per the erstwhile accounting GAAP(AS 22 on ""Taxes on Income"") and as per instructions from National Housing Board a deferred tax liability was being created on such special reserve. As per the Ind AS accounting framework there is no requirement to create such a deferred tax liability, as the tax base and carrying amount of the Special reserve are the same.

Accordingly, the value of deferred tax liability on special reserve as at the transition date amounting to ₹12,539.59 lakhs would be reversed directly into the retained earnings and the amount recognised in the previous year amounting to ₹3,122.66 lakhs has been reversed through the profit and loss statement.

The company has not created deferred tax assets on the following :

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
NIL			

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 35: Contingent Liabilities and commitments (to the extent not provided for)

(i) Contingent Liabilities (to the extent not provided for)

(₹ in Lakh)

Nature of claims	Risk involved	As of March 31, 2019	As of March 31, 2018
Disputed Income Tax matters under appeal:	1. The Income Tax Appeals filed by the Department for the Asst. Years 1996-97 to 1999-2000 have been dismissed by the Hon'ble High Court of Karnataka and allowed in favour of the Company. The Department has filed two separate appeals before the Hon'ble Supreme Court of India for the Asst. Year 1996-97 which has since been dismissed. Hence no longer considered as disputed tax/contingent liability. Further, provision created for the said purpose for an amount of ₹300.96 lakhs as on March 31, 2018 has been utilised for AY 2006-07 and AY 2007-08 disputed tax.		
	2. The appeals filed by the Company for the Asst. Year 2006-07 and 2007-08 were dismissed by the 2nd appellate authority and the Company has preferred appeals before the Hon'ble High Court of Karnataka which are admitted and yet to be heard. The alleged demand for the Asst. Year 2006-07 (under appeal) has been recovered by the Department to the extent of ₹535 lakhs out of the refunds determined to the Company. The alleged demand for the Asst. Year 2007-08 (under appeal) amounting to ₹448.13 lakhs towards the alleged Income Tax and interest, is also adjusted by the department. Further, ₹375.80 lakhs has been paid by the company under protest. Provision created in the books of account for the said purpose and balance as on March 31, 2018 is ₹600.00 lakhs and the excess provision as per point 1 above to the extent of ₹300.96 lakhs has been utilised for provision against disputed tax of AY 2006-07 & 2007-08. The short provision to the extent of , ₹113.85 continued to be shown as such under disputed Tax.	149.46	149.46
	3. An amount of ₹3.55 lakhs demanded for the Asst. Year 2003-04. However as per Company there is no tax due for the said Asst.Year. Company is yet to receive rectification order. Hence shown under disputed tax.		
	4. An amount of ₹15.61 lakhs demanded for the Asst. Year 2004-05. However as per Company there is no tax due for the said Asst.Year. Company is yet to receive rectification order. Hence shown under disputed tax.		
	5. An amount of ₹16.44 lakhs demanded for the Asst. Year 2011-12 continues to be shown under disputed tax, pending receipt of rectification orders against which the Company has determined a liability of ₹1.97 lakhs to be adjusted against the refund due to the Company.		
Claims made by borrowers of the company before various Consumer Forums.	There are ten cases in Consumer Forums, out of which one case is pending before State Consumer redressal Forum and one case is pending before High Court where compensation is sought against the Company.	98.97	45.94
Based on the professional advice no material liability are expected, and hence no provision is made in the financial statement for the same.			

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 35: Contingent Liabilities and commitments (to the extent not provided for) (Contd..)

(ii) Commitments (not provided for)

(₹ in Lakh)

Nature of claim	As of March 31, 2019	As of March 31, 2018
Value of contracts remaining to be executed on capital account	2.57	-

Note 36 Employee Benefit Expenses

Defined Benefit Plans:

1. Gratuity is an Employee Benefit payable on retirement / superannuation / resignation on completion of 5 years of service.
2. Privilege Leave is an employee benefit wherein confirmed Officer/Employee is entitled to 30 days of PL every year, which can be accumulated upto a maximum of 240 days.
3. Provident Fund is a statutory employee benefit wherein contributions are made by the employee and employer in prescribed proportion.
4. Sick Leave is a Benefit, which an Officer/Employee is entitled to 15 days in a year, which can be accumulated upto a maximum of 270 days.
5. Leave Fare Concession is an employee benefit wherein all confirmed Employees/Officers are entitled once in two years.

I. Reconciliation of present value of Projected Benefit Obligation:

(₹ in Lakh)

Particulars	Gratuity			Exempt PF		
	For the year ended			For the year ended		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Present value of Projected Benefit obligation	1,460.91	945.31	857.28	3,398.57	2,839.92	2,496.86
Current Service Cost	106.22	61.73	52.05	627.24	549.12	496.75
Past Service Cost	-	485.48	-	-	-	-
Net interest on net defined liability/ (asset)	106.13	67.75	66.33	312.81	258.58	226.51
Benefits paid and charges deducted	(172.24)	(34.34)	(35.28)	(436.98)	(184.65)	162.26
Re-measurement - actuarial (gain)/ loss recognised in OCI	(35.15)	(65.02)	4.93	302.49	(64.39)	(217.94)
Net Present value of Projected Benefit obligation	**1,465.87**	**1,460.91**	**945.31**	**4,204.13**	**3,398.58**	**3,164.44**

Notes forming part of Financial Statements

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Long Term Compensated Absence			Sick Leave		
	For the year ended			For the year ended		
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2017
Present value of Projected Benefit obligation	873.82	918.17	695.47	83.11	88.52	71.05
Current Service Cost	53.63	49.28	39.53	11.65	10.71	8.73
Past Service Cost	-	-	-	-	-	-
Net interest on net defined liability/ (asset)	64.75	62.60	51.76	6.42	6.46	5.61
Benefits paid and charges deducted	(70.10)	(121.39)	(80.43)	-	-	-
Re-measurement - actuarial (gain)/ loss recognised in OCI	45.88	(34.84)	211.84	(8.22)	(22.58)	3.13
Net Present value of Projected Benefit obligation	**967.99**	**873.82**	**918.17**	**92.96**	**83.11**	**88.52**

II. Expenses recognised in the statement of Profit and Loss account under the head "Employee Benefits Expenses" for the year ended March 31, 2019

(₹ in Lakh)

Particulars	Gratuity			Exempt PF		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current Service Cost	106.22	61.73	52.05	627.24	549.12	496.75
Past Service Cost	-	485.48	-	-	-	-
Interest Cost	51.54	58.56	66.33	312.81	258.58	226.51
Benefits Settled	-	-	-	-	-	-
Obligations at end of the year	**157.77**	**605.77**	**118.38**	**940.05**	**3,398.57**	**723.26**

(₹ in Lakh)

Particulars	Sick Leave			Long Term Compensated Absence		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current Service Cost	11.65	10.71	8.73	53.63	49.28	39.53
Past Service Cost	-	-	-	-	-	-
Interest Cost	6.42	6.46	5.61	64.75	62.60	51.76
Benefits Settled	-	-	-	-	-	-
Obligations at end of the year	**18.07**	**17.17**	**14.34**	**118.38**	**111.87**	**91.30**

Notes forming part of Financial Statements

for the year ended March 31, 2019

III. Reconciliation of Opening balances and Closing balances of Plan Assets

(₹ in Lakh)

Particulars	Gratuity			Exempt PF		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Plan assets at the beginning of the year, at fair value	117.50	143.13	154.58	3,581.46	2,973.78	2,428.92
Re-measurement - actuarial gain/ (loss)	(30.94)	(0.49)	2.24	3.93	(40.30)	(23.30)
Expected return on plan assets	54.59	9.20	11.23	332.58	283.51	233.67
Contributions from Employees	1,351.56	-	10.36	627.24	549.12	496.75
Benefits Settled	(172.24)	(34.34)	(35.28)	(436.98)	(184.65)	(162.26)
Plan assets at the end of the year at fair value	**1,320.47**	**117.50**	**143.13**	**4,108.23**	**3,581.46**	**2,973.78**

(₹ in Lakh)

Particulars	Sick Leave			Long Term Compensated Absence		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Plan assets at the beginning of the year, at fair value	-	-	-	-	-	-
Interest income on plan assets						
Re-measurement - actuarial gain/ (loss)	-	-	-	-	-	-
Return on plan assets greater/ (lesser) than discount rate	-	-	-	-	-	-
Contributions from Employees	-	-	-	70.10	121.39	80.43
Benefits Settled	-	-	-	(70.10)	(121.39)	(80.43)
Plan assets at the end of the year at fair value	**-**	**-**	**-**	**-**	**-**	**-**

Acturial Assumptions

(₹ in Lakh)

Description	As on March 31, 2019	As on March 31, 2018	As on March 31, 2017
Discount rate per annum	7.62%	7.72%	7.30%
Expected rate of return on Plan Assets	Gratuity-7.62%	Gratuity-7.72%	Gratuity-8.00%
	Exempted PF-8.65%	Exempted PF-8.65%	Exempted PF-8.65%
The estimates of future salary increases considered in actuarial valuation, take into account escalation, inflation, seniority, Promotion and other relevant factors	7.00%	8.00%	8.50%

Notes forming part of Financial Statements

for the year ended March 31, 2019

Investment pattern (in %)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Gratuity - Funded			
Funds managed by Insurer	100%	100%	100%
Total	**100%**	**100%**	**100%**
Exempt PF- Funded			
Government of India Securities	7.76%	12.21%	17.86%
State Government Securities	40.64%	36.07%	31.46%
High Quality Corporate Bonds	38.96%	40.25%	40.13%
Special Deposits Scheme	2.39%	2.72%	3.29%
Mutual Funds	6.91%	5.65%	4.73%
Bank Deposits	3.35%	3.09%	2.53%
Total	**100%**	**100%**	**100%**

Historical information

Gratuity

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of defined benefit obligation	(1,465.87)	(1,460.91)	(945.31)	(857.28)
Fair value of plan assets	1,320.47	117.50	143.13	154.58
Asset/ (liability) recognized	**(145.40)**	**(1,343.41)**	**(802.17)**	**(702.70)**

Exempt PF

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of defined benefit obligation	(4,204.13)	(3,398.58)	(2,839.92)	(2,496.86)
Fair value of plan assets	4,108.23	3,581.46	2,973.78	2,428.93
Asset/ (liability) recognized	**(95.90)**	**182.88**	**133.86**	**(67.93)**

Sick Leave

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of defined benefit obligation	(92.96)	83.11	88.52	71.05
Fair value of plan assets	-	-	-	-
Asset/ (liability) recognized	**(92.96)**	**83.11**	**88.52**	**71.05**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Long Term Compensated Absence

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of defined benefit obligation	(967.99)	(873.82)	(918.17)	(695.47)
Fair value of plan assets	-	-	-	-
Asset/ (liability) recognized	**(967.99)**	**(873.82)**	**(918.17)**	**(695.47)**

Maturity profile of defined benefit obligation

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Average duration of the define benefit obligation (in years):		
- Gratuity	8.8	9.3
- Long Term Compensated Absence	9.9	10.3

Sensitivity Analysis

The sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Basis points	50 bps	50 bps	50 bps	50 bps
- Discount rate				
Impact on Defined benefit obligation	56.49	(60.55)	59.31	(63.62)
Impact on Current Service cost	7.53	(6.71)	(37.03)	(52.85)
- Salary Growth				
Impact on Defined benefit obligation	(39.91)	39.12	(36.95)	37.13
Impact on Current Service cost	(3.61)	6.02	(49.64)	(39.33)

Notes forming part of Financial Statements

for the year ended March 31, 2019

Long Term Compensated Absence

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Basis points	50 bps	50 bps	50 bps	50 bps
-Discount rate				
Impact on Defined benefit obligation	41.63	(45.09)	(139.31)	(52.12)
Impact on Current Service cost	4.77	(0.96)	(5.31)	0.44
-Salary Growth				
Impact on Defined benefit obligation	133.19	51.89	(41.96)	39.10
Impact on Current Service cost	3.12	(3.45)	(7.77)	(1.22)

Sick Leave

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Basis points	50 bps	50 bps	50 bps	50 bps
- Discount rate				
Impact on Defined benefit obligation	2.43	(2.58)	2.26	(2.40)
Impact on Current Service cost	(0.17)	(1.09)	(0.49)	(1.44)
- Salary Growth				
Impact on Defined benefit obligation	(2.58)	2.45	(2.38)	2.26
Impact on Current Service cost	(1.09)	(0.17)	(1.43)	(0.49)

Maturity profile of defined benefit obligation:

(₹ in Lakh)

Particulars	Gratuity			Long Term Compensated Absence		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Year 1	70.92	93.13	54.97	33.84	37.62	27.53
Year 2	136.33	65.55	62.02	57.60	27.16	30.37
Year 3	111.90	114.60	59.62	46.44	44.37	34.52
Year 4	152.87	137.55	76.51	62.61	50.19	44.76
Year 5	186.65	144.58	93.20	75.81	52.34	53.65
Next 5 years	945.14	1031.52	571.65	407.46	413.05	396.46

Note: Maturity profile of defined benefit obligation is not applicable to Sick Leave and Exempted PF.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 37 Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share

(₹ in Lakh)

Particulars	For the year ended			
	March 31, 2019		March 31, 2018	
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Weighted average number of equity shares outstanding during the year	1,331.54	1,331.54	1,331.01	1,331.01
Equity shares issued during the year	-	-	0.53	0.53
Weighted average number of equity shares for calculation of earnings per share	1,331.54	1,331.54	1,331.54	1,331.54
Profit for the year, as per Profit & Loss Statement (excluding Other Comprehensive income)	29,673.69	29,673.69	28,619.23	28,619.23
Earning per share [Basic EPS/Dilutive EPS]	22.29	22.29	21.49	21.49

Note 38 Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

(₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Items that will not be reclassified to profit and loss		
(i) Actuarial (Gain)/ loss	(4.21)	(64.53)
(b) Income Tax relating to items that will not be reclassified to profit and loss	1.47	22.33
Total	**(2.74)**	**(42.20)**

Note 39 Financial Instruments

(₹ in Lakh)

Particulars	Carrying value as at		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial asset			
at Amortised cost			
Loans	18,28,452.29	15,64,400.49	13,22,413.82
Trade Receivables	13.91	21.05	-
Cash and Cash Equivalents	42,025.39	1,901.61	1,995.29
Investments	1,606.50	1,599.75	1,599.13
Other Financial Assets	289.73	231.40	213.96
Total Financial Assets	**18,72,387.83**	**15,68,154.30**	**13,26,222.20**

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 39 Financial Instruments (Contd..)

(₹ in Lakh)

Particulars	Carrying value as at		
	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Financial Liabilities			
at Amortised cost			
Debt Securities	3,45,015.05	4,89,827.41	3,69,756.84
Borrowings	12,98,319.16	8,79,444.67	7,94,330.15
Deposits	26,109.48	22,829.98	22,664.88
Other Financial Liabilities	20,796.92	23,905.21	17,228.23
Trade Payables	215.89	869.61	232.67
Total Financial Liabilities	**16,90,456.49**	**14,16,876.88**	**12,04,212.76**

Note 40 Financial Risk Management

i) Credit Risk

It is defined as the inability or unwillingness of the counterparty to meet the commitment in relation to lending, trading, hedging, settlement and other financial transactions. Also it is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counter parties. The Credit policy articulates credit risk strategy to effectively communicate it throughout the company and all relevant personnel to understand company's approach to grant of credit. The Policy covers products/borrower category, frame work for appraisal process, guidelines for takeover of accounts, entry level matrix (credit scoring system) and flexibility in pricing, dispensation of credit, monitoring and review mechanism, limit structure/prudential exposure levels, reporting frame work. The Company has put in place a proper Loan Review Mechanism with responsibilities assigned in various areas such as, evaluating the effectiveness of loan administration, maintaining the integrity of credit grading process, assessing the loan loss provision, portfolio quality, etc. Credit grading involves assessment of credit quality, identification of problem loans, and assignment of risk ratings. Monitoring is being done through guidelines to branches; follow up by overseeing executives and other regular follow up.

Analysis of stages of loans and provision of expected credit loss is as follows [Refer Note 2 (h) for "Significant Accounting Policies"].

(₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount of loans (A)	17,37,877.13	88,968.05	11,351.24	18,38,196.42	14,98,093.61	69,457.07	6,748.51	15,74,299.19
Provision as per ECL Model (B)	1,047.84	430.58	3,123.02	4,601.44	903.27	336.15	3,781.27	5,020.69
Provision for Standard and NPA Assets* (C) [Refer Note 5.3]	6,124.92	390.08	3,404.62	9,919.62	6,154.20	320.80	3,586.83	10,061.83
% of Provision held =(D)= (E)/(A)	0.35%	0.44%	29.99%	0.54%	0.41%	0.46%	53.15%	0.64%
Net Carrying Amount of Loans (E) = (A)-(C)	**17,36,829.29**	**88,537.47**	**8,228.22**	**18,33,594.98**	**14,97,190.34**	**69,120.92**	**2,967.24**	**15,69,278.50**

*As per IRAC norms of NHB.

Notes forming part of Financial Statements

for the year ended March 31, 2019

1. The provision estimated as per ECL model on an aggregate basis is lower than the overall provision required under IRAC norms of the NHB. The Management on a conservative approach has decided to maintain the higher provision.

2. The company has availed the exception offered in Paragraph B8G of Ind AS 101- First time Adoption of Ind AS. Based on their assessment, the company has concluded that the financial instruments held had low credit risk and hence additional provisions over and above those already held was not considered necessary.

3. As at balance sheet date, the Company does not have significant concentration of credit risk (Refer Note 44.9(ii)).

ii) Financial Risk

The market risk is the possibility of loss to the Company prices of security due to changes in the market factors, mainly the changes in interest rates, and competition. It is the risk to the Company's earnings and capital due to the changes in the market interest rates. Market Risk also includes company's ability to meet its obligations as and when due. The limited avenues at the disposal of the Company for raising low cost/cost effective resources and our operating on thin spreads make market risk management all the more significant. The Company has an Investment Policy/ Borrowing Policy in place which addresses the Market Risk which defines safety and liquidity will have preference over returns. Our majority of investment is by way of Bank Deposits and Govt. securities for the purpose of maintenance of SLR as prescribed by NHB. All these deposits are held to maturity. There is an ALM Committee of Executives at RO (ALCO), which functions as the operational unit for managing the balance sheet and asset liability mismatches. All the borrowing decisions and raising short term funds in the form of Non Convertible Debentures, Commercial Papers, Securitization and such other modes, are taken at appropriate level as per the Board approved policy on borrowings. Refer Note 5.6 for Asset Liability Management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019, March 31, 2018 and April 01, 2017.

(₹ in Lakh)

Particulars	As at March 31, 2019			Total
	< 1 year	1-3 years	> 3 Years	
Borrowings from Banks	2,39,154	1,65,410	4,81,022	8,85,585.75
Borrowings from NHB	29,584	50,533	1,17,006	1,97,122.70
Deposits	15,321	9,970	818	26,109.48
Debentures and Commercial Papers	3,38,000	1,22,200	1,10,000	5,70,200.00

(₹ in Lakh)

Particulars	As at March 31, 2018			Total
	< 1 year	1-3 years	> 3 Years	
Borrowings from Banks	1,30,952	76,457	2,56,164	4,63,573.61
Borrowings from NHB	25,944	64,382	117,984	2,08,309.54
Deposits	10,773	11,307	750	22,830.41
Debentures and Commercial Papers	3,52,562	2,23,000	1,22,200	6,97,762.00

Notes forming part of Financial Statements

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at April 1, 2017			Total
	< 1 year	1-3 years	> 3 Years	
Borrowings from Banks	4,910	70,042	73,649.00	148,601
Borrowings from NHB	38,822	100,392	198,289.00	337,503
Deposits	13,324	6,755	2,585.00	22,664
Debentures and Commercial Papers	257,000	258,000	92,200.00	607,200

iii) Liquidity Risk

Probability of loss arising from a situation where (1) there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, (2) sale of illiquid assets will yield less than their fair value, or (3) illiquid assets will not be sold at the desired time due to lack of buyers. ALM Policy is in place which has set prudential limits for structural liquidity and interest rate risk. The ALCO committee of the Company analyzes the ALM position of the Company as at the end of each quarter and appraises the Board the ALM position of the respective quarters along with the proposed measure to improve the ALM position.

iv) Interest rate risk

Earnings risk is the danger that income may fluctuate due to changes in economic conditions or other factors. It is also the potential negative impact on the net interest income. The risk refers to vulnerability to movement in interest rates. Changes in interest rates effects earning, value of asset and cash flow. Asset Liability Management Committee (ALCO) meets at periodical intervals and assesses the earning risk and gives proper directions to the management to improve the NIM. Company shall monitor the income earned by way of interest and other income at quarterly intervals and place suitable notes to Board while placing notes on quarterly/half yearly/annual financial results of the Company. The limited avenues at the disposal of the Company for raising low cost/cost effective resources and our operating on thin spreads make market risk management all the more significant. The credit rating of our borrowings also have a significant impact on our net interest margin. Refer Note 44.4 for credit rating details.

(₹ in Lakh)

Sensitivity Analysis on Net Interest:	As at March 31, 2019		As at March 31, 2018	
Particulars	Increase by 25bps	Decrease by 25bps	Increase by 25bps	Decrease by 25bps
Impact on profit before tax- Gain/ (Loss)	4,241.07	(4,241.07)	3,608.52	(3,608.52)

Note 41 The Capital Structure is as follows:-

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Notes forming part of Financial Statements

for the year ended March 31, 2019

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total Capital	18,47,662.28	15,40,800.81	13,07,121.96
Total Equity attributable to the Equity Shareholders of the Company	1,78,218.60	1,48,698.75	1,20,370.10
As percentage of Total Capital	10%	9.65%	9.21%
Total Borrowings (including deposits and debt securities)	16,69,443.68	13,92,102.06	11,86,751.86
As a percentage of Total Capital	90%	90%	91%
Total Capital (Equity and Borrowings)	**18,47,662.28**	**15,40,800.81**	**13,07,121.96**

Note 42

A. Related Party

Name of Related Party	Nature of Relationship
Canara Bank	Sponsor Bank
1. Canbank Factors Ltd.	Subsidiaries of Canara Bank
2. Canbank Computer Services Ltd	
3. Canbank Financial Services Ltd.	
4. Canbank Venture Capital Fund	
5. Canara Bank Securities Ltd	
1. Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	Joint Venture with Canara Bank
2. Canara Robeco Asset Management Company Ltd.	
Key Managerial Personnel:	
1. Shri S K Hota	Managing Director
2. Shri Shrikant M Bhandiwad	Whole Time Director (w.e.f April 28, 2018)
3. Shri Atanu Bagchi	Chief Financial Officer
4. Smt Veena G Kamath	Company Secretary
5. Smt Shamila Mangalore	Manager (w.e.f April 28, 2018)

B. Transactions with the above Related Party during the year

(₹ in Lakh)

Name of Related Party	Nature of Transaction	For the period	
		2018-19	2017-18
Veena G Kamath	Remuneration	13.71	15.84
Atanu Bagchi	Remuneration	14.19	16.11
Shamila Mangalore	Remuneration	15.57	-

Notes forming part of Financial Statements

for the year ended March 31, 2019

B. Transactions with the above Related Party during the year (Contd..)

(₹ in Lakh)

Name of Related Party	Nature of Transaction	For the period	
		2018-19	2017-18
Canara Bank	Term Loans & other credit facilities outstanding at the year end	3,32,751.97	2,56,804.71
	Interest paid for the year	19,976.11	10,831.32
	Deposits matured during the year	1,680.10	1,654.00
	Deposits made with Bank (including renewals)	41,708.06	1,680.11
	Interest earned for the year	125.35	114.58
	Rent paid for the year	61.95	41.94
	Bank charges for the year	21.98	22.71
	Sitting Fees to Directors	5.40	3.80
	Salary & other benefits of Managing Director and Whole Time Director	45.19	29.41
	Other Payments for the year	5.38	4.80
	Rent Received from Bank	-	0.24
	Current A/c Balances	168.90	150.06
Canbank Computer Services Ltd	Registrar & Transfer Agency charges for the year	13.88	16.32
Canara Bank Employee Pension Fund,Provident Fund & Gratuity Fund	Borrowings by way of SRNCD	6,000.00	7,000.00
	Interest paid on SRNCD	535.70	467.92
Canara Robeco Asset Management Company Ltd.	Dividend earned during the year	-	19.05
Canara HSBC OBC Insurance Co. Ltd	Commission earned for the year	79.68	19.49
Total		**4,03,223.12**	**2,78,892.41**

C. Balances Payable to Related Parties are as follows

(₹ in Lakh)

Particulars	Nature of Balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Canara Bank	Term Loan	332,751.97	256,804.71	169,182.16
Canara Bank Employee Pension Fund,Provident Fund & Gratuity Fund	Debentures	535.70	467.92	5,500.00

Notes forming part of Financial Statements

for the year ended March 31, 2019

D. Balances Receivable from Related Parties are as follows

(₹ in Lakh)

Particulars	Nature of Balances	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Canara Bank	Fixed Deposits	1,680.10	1,654.00	1,654.00
Atanu Bagchi	Employee Loan	2.67	1.69	2.34
Shamila Mangalore	Employee Loans & Advances	2.02	1.80	1.92

E. Compensation to Key Managerial Personnel

(₹ in Lakh)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Short term employee benefit	88.66	61.36
Post-employment benefits*	-	-
Total Compensation paid to Key Managerial Personnel	**88.66**	**61.36**

*The post employment benefits namely provision for gratuity and compensated absences cannot be determined employee wise since the provision is based on the actuarial valuation of the company as a whole.

Note 43

Ind AS 101- First time Adoption of Ind AS :

The financial statements of the Company for the year ended March 31, 2019 have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2017 as the transition date. Ind AS 101 requires that all Ind AS standards and interpretations that are effective for the Ind AS Consolidated Financial Statements for the year ended March 31, 2019, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the consolidated financial statements under both Ind AS and Indian GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

In preparing these consolidated financial statements, the entity has availed itself of certain exemptions and exceptions in accordance with Ind AS 101 as explained below:

(a) Exceptions from full retrospective application:

1) Classification and measurement of financial assets:

The Company has availed the exception provided in Paragraph B8C of Ind AS 101 since the company has found it impracticable to apply the effective interest rate prior to the date of transition to Ind As considering the fact that the loans/ debentures have been given/received for long tenors. The exception has been availed for housing loans given and non-convertible debentures issued.

Notes forming part of Financial Statements

for the year ended March 31, 2019

2) **Impairment of financial assets:**

The company has availed the exception offered in Paragraph B8G of Ind AS 101- First time Adoption of Ind AS. Based on their assessment, the company has concluded that the financial instruments held had low credit risk and hence the provision for loans those already held in the books of account as on April 01, 2017 was considered more than the expected credit loss and hence the additional provision was not considered necessary.

(b) Certain exemptions from the application from other Ind AS:

1) **Deemed cost of Property, Plant and Equipment:**

The Company has availed the exception provided in Paragraph D7AA of Ind AS 101 and taken the carrying value of Property, Plant and Equipment as on 31st March 2017 as Deemed Cost on 1st April 2017.

2) **Fair value measurement of Employee loans at initial recognition prospectively:**

The Company has availed the exemption provided in Paragraph D 20 of Ind AS 101 and have fair valued Employee Loans prospectively from the date of transition

(c) Reconciliations:

As required by Paragraph 24 of Ind AS 101, the following reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101:

1. Reconciliation of Equity as at
   a) 1st April 2017
   b) 31st March 2018
2. Reconciliation of total comprehensive Income for the period ended
   a) 31st March 2018
3. There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS

Reconciliation of Profit from previous GAAP to Ind AS for the period 2017-18

(₹ in Lakh)

Particulars	Explanatory Note	Amount
Net Profit as per previous GAAP		**30,177.43**
Adjustments due to adoption of Ind AS		
Amortisation of processing fees on loan	1	(2,527.73)
Deemed Interest Income on Security Deposits	2	17.33
Amortisation of Prepaid Rent	2	(19.01)
Straight lining of Lease Rentals as per Ind AS 17	3	(34.17)
Actuarial gains and losses to be recognised under OCI	4	(64.53)
Amortisation of transaction costs on non-covertible debentures	5	(70.58)
Adjustment on account of Investment carried at amortised cost	6	0.63
Employee Loans to be carried at fair value	7	0.90

Notes forming part of Financial Statements

for the year ended March 31, 2019

Reconciliation of Profit from previous GAAP to Ind AS for the period 2017-18 (Contd..)

(₹ in Lakh)

Particulars	Explanatory Note	Amount
Reversal of Deferred Tax Liability on Special Reserve	8	3,122.66
Deferred Tax expense/(gain) due to above adjustments	9	888.77
Current Tax adjustment on Special Reserve	8	(2,872.46)
Net Profit as per Ind AS		**28,619.23**
Other Comprehensive Income		
Reclassification of actuarial gains and losses to OCI	4	64.53
Deferred Tax Asset on OCI	9	(22.33)
Total Comprehensive Income as per Ind AS		**28,661.43**

Equity Reconcililiation from previous GAAP to Ind AS as at March 31, 2018

(₹ in Lakh)

Particulars	Explanatory Note	Amount
Equity as per previous GAAP		**134,649.69**
Adjustments due to adoption of Ind AS		
Amortisation of processing fees on loan	1	(2,527.73)
Deemed Interest Income on Security Deposits	2	17.33
Amortisation of Prepaid Rent	2	(19.01)
Straight lining of Lease Rentals as per Ind AS 17	3	(34.17)
Amortisation of transaction costs on non-covertible debentures	5	(70.58)
Adjustment on account of Investment carried at amortised cost	6	0.63
Employee Loans to be carried at fair value	7	0.90
Reversal of Deferred Tax Liability on Special Reserve	8	15,815.25
Deferred Tax expense/(gain) due to above adjustments	9	866.44
Equity as per Ind AS		**148,698.75**

Equity Reconcililiation from previous GAAP to Ind AS as at April 1, 2017

(₹ in Lakh)

Particulars	Explanatory Note	Amount
Equity as per previous GAAP		**107,677.51**
Adjustments due to adoption of Ind AS		
Deemed Interest Income on Security Deposits	2	(102.35)
Amortisation of Prepaid Rent	2	90.85
Straight lining of Lease Rentals as per Ind AS 17	3	(203.31)
Amortisation of transaction costs on non-covertible debentures	5	443.16
Adjustment on account of Investment carried at amortised cost	6	5.63
Reversal of Deferred Tax Liability on Special Reserve	8	12,539.59
Deferred Tax expense/(gain) due to above adjustments	9	(80.98)
Equity as per Ind AS		**120,370.10**

Notes forming part of Financial Statements

for the year ended March 31, 2019

1. **Amortisation of Processing Fees:**

   The processing fees has been amortized over the tenure of the loan as per Ind AS 109. In case of fees collected on DSA sourced proposals, fees will be amortised over the tenor of the loan after reducing the DSA commission portion calculated by using weighted average on portfolio basis. Upon disbursement amount will be accounted under fees income in proportion to disbursement [Refer Note 2(k)(ii)].

2. **Fair Valuation of Security Deposits:**

   As per previous GAAP, the security deposits were shown at their transaction value. As per Ind AS 109, refundable and non-statutory security deposits have been discounted to their present value on the date of contract. The difference between the carrying value and fair value is treated as 'Prepaid Rent' and the same has been amortised over the remaining tenure of such deposit.

3. **Straight lining of Lease Rentals as per Ind AS 17:**

   As per previous GAAP, Lease Rentals were accounted as expense in Profit and Loss Statement for based on the terms and conditions of the lease agreement. As per Ind AS 17- Leases, lease rentals have been straight-lined over the non-cancellable lease period.

4. **Employee benefits**

   Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss. As per Ind AS 1 and Ind AS 19, actuarial gains and losses have to be presented in Other Comprehensive Income

5. **Transaction cost on issue of debentures:**

   As per previous GAAP, the transaction cost incurred for issue of debentures were recognised as expense as and when incurred. Under Ind AS 109, the transaction cost incurred on issue of debentures are forming part of the computation of Effective interest rate (EIR). [Refer Note 2 (d)(b)].

6. **Adjustment on account of Investment carried at amortised cost:**

   As per previous GAAP, investments are carried at cost . As per Ind AS 109, SLR Investments acquired at a discount have been amortised over the period of the investment effective rate of interest.

7. **Adjustment on account of employee loans carried at amortised cost:**

   As per previous GAAP, loans to employees were being carried at their transaction value . As per Ind AS 109, these loans are discounted to their present value on transition date. The difference between the carrying value and fair value is treated as deferred employee loans and the same has been amortised over the remaining tenure of such loans.

8. **Reversal of Deferred Tax Liability on Special Reserve [Refer Note 34]:**

   As per previous GAAP, DTL was created on the special reserve created under section 36(1)(viii) of the Income Tax Act, 1961 as per the requirement of circular no NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014. Under Ind AS 12-Taxes on Income, there is no difference beween carrying amount of special reserve as per books of account and its tax base. Accordingly DTL is not required to be created on the special reserve. As per Ind AS-12, current tax on items which are recognised outside Profit & Loss Statement shall also be recognised outside the Profit & Loss Statement. Since the special reserve is appropriated from profit and accounted in Other Equity, the current tax on the same also has been accounted in Other Equity.

9. **Deferred tax impact due to Ind AS Adjustments:**

   The deferred tax has been recognised on temporary differences arising on transition to Ind AS.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 44

Disclosures required as per Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 issued by National Housing Bank (NHB)

44.1 Capital to Risk Assets Ratio (CRAR)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
i) CRAR (%) [1]	16.44%	19.08%
ii) CRAR – Tier I Capital (%)[1]	14.64%	16.96%
iii) CRAR – Tier II Capital (%) [2]	1.80%	2.12%
iv) Amount of subordinated debt raised as Tier – II Capital (₹ in lakhs)	10,000	10,000
v) Amount raised by issue of Perpetual Debt Instruments (₹ in lakhs)	-	-

Note 1: Term deposit amounting to ₹25,700.42 Lakhs (matured on 10th April'2019) held with Canara Bank is reduced in the computation of Net owned funds. The CRAR without considering the aforesaid term deposit would have been 19.24% (Tier I Capital of 17.44%).

Note 2: Tier II capital includes Provision for Standard Assets.

Note 44.2

A. Exposure to Real Estate Sector

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Direct Exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
- Individual Loans of & up to ₹15 lakhs.	6,34,665.86	4,72,405.72
- Individual loans above ₹15 lakhs.	10,54,512.09	9,42,925.10
ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate (Office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.,) Exposure would also include non-fund based (NFB) limits:	1,48,542.85	1,59,051.79
iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -		
a) Residential	Nil	Nil
b) Commercial Real Estate	Nil	Nil
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)	Nil	Nil

Notes forming part of Financial Statements

for the year ended March 31, 2019

B. Exposure to Capital Market : NIL

C. Details of financing of parent company products : NIL

D. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC : NIL

E. Unsecured Advances : NIL

Note 44.3 Registration obtained from other financial sector regulators during the year:

(i) Renewal of registration of the Company as LEI (Legal Entity Identifier) as required by RBI.

(ii) Registration of Company on TReDS (Trade Receivables Discounting System) platform trough RXIL (Receivables Exchange of India Limited) as required by MCA (Ministry of Corporate Affairs).

(iii) Registration of the Company as Business user for filing of returns in FIRMS (Foreign Investment Reporting and Management System).

(iv) Registration of Company as convergence partner with NCH (National Consumer Helpline) through software "INGRAM" as directed by NHB

Note 44.4 Rating assigned by Credit Rating Agencies and migration of rating during the year:

Credit Rating agency	Type	Credit Rating	
		FY 2018-19	FY 2017-18
ICRA	Public Deposits	ICRA MAAA (Negative)	ICRA MAAA (Negative)
ICRA	Commercial Papers	A1+	A1+
ICRA	Long Term Bank Loans	ICRA AAA	ICRA AAA
ICRA	Short Term Bank Loans	A1+	A1+
ICRA	Non Convertible Debentures	ICRA AAA (Outlook Negative)	ICRA AAA (Outlook Negative)
CARE	Non Convertible Debentures	CARE AAA (Outlook Stable)	CARE AAA (Under credit watch with developing implications)
CARE	Commercial Papers	A1+	A1+ (Under credit watch with developing implications)
FITCH	Non Convertible Debentures	IND AAA (Outlook Negative)	IND AAA (Outlook Negative)
FITCH	Commercial Papers	IND A1+	IND A1+

Note 44.5

Revenue Recognition: No revenue recognition has been postponed pending the resolution of significant uncertainties.

Note 44.6 Indian Accounting Standard 110 – Consolidated Financial Statements

The subject Standard is not applicable for the Company.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 44.7 Provisions and Contingencies

(₹ in Lakh)

Break up of Provisions and Contingencies	As at March 31, 2019	As at March 31, 2018
Provision for depreciation on Investment	-	-
Provision made towards Income Tax (net)	154	344
Provision towards NPA	3,404.62	3,586.83
Provisions for Standard Assets (for details like teaser loan, CRE. CRE-RH etc Refer Note 14.5)	6,515.00	6,475.00
Other Provisions & Contingencies	900.97	900.97

Note 44.8 Draw Down from Reserves

There was no draw down from reserves during the year.

Note 44.9 Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Deposits of twenty largest depositors	8,774.44	6,158.83
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	33.61%	26.98%

ii) Concentration of Loans & Advances

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Loans & Advances to twenty largest borrowers	4,694.00	3,686.00
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.26%	0.23%

iii) Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to Twenty largest borrowers / customers	4,694.00	3,686.00
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.26%	0.23%

Notes forming part of Financial Statements

for the year ended March 31, 2019

iv) Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to Top ten NPA accounts	675.11	703.14

v) Sector-wise NPAs

Sector	Percentage of NPAs to Total Advances in that sector
A Housing Loan	-
1 Individuals	0.59
2 Builders / Project Loans	-
3 Corporates	-
4 Others (specify)	-
B Non – Housing Loans	-
1 Individuals	0.83
2 Builders / Project Loans	-
3 Corporates	-
4 Others (specify)	-

vi) Movement of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
1 Net NPAs to Net Advances (%)	0.43%	0.20 %
2 Movement of NPAs (Gross)		
a Opening balance	6,748.51	2,791.11
b Additions during the year	6751.97	5,568.63
c Reductions during the year	2149.23	1,611.23
d Closing balance	**11,351.25**	**6,748.51**
3 Movement of Net NPAs		
a Opening balance	3,161.68	-
b Additions during the year	5,009.16	3,161.68
c Reductions during the year	224.22	-
d Closing balance	**7,946.62**	**3,161.68**
4 Movement of provisions for NPAs (excluding provisions on standard assets)		
a Opening balance	3,586.83	2,791.11
b Provisions made during the year	69.22	3,488.28
c Write-off / Write-back of excess provisions	251.42	2,692.55
d Closing balance	**3,404.63**	**3,586.83**

Notes forming part of Financial Statements

for the year ended March 31, 2019

vii) Overseas Assets

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
NIL		

viii) Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored

Domestic	Overseas
NIL	NIL

ix) Disclosure of Complaints

Customer Complaints

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
1) No. of Complaints pending at the beginning of the year	20	9
2) No. of Complaints received during the year	3,142	306
3) No. of Complaints redressed during the year	3,128	295
4) No. of Complaints pending at the end of the year	34	20

Note 44.10 Disclosure under paragraph 29 of the Housing Finance Companies (NHB) Directions, 2010.

The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010 except for one instance detailed below.

"NHB vide its letter NHB(ND)/DRS/APPEAL-1/17/A-744/2019 dated January 17, 2019 has imposed a penalty of ₹5,900 (inclusive of GST@18%) on account of contravention of section 32 of the NHB Act, 1987 and the Fair Practice Code issued by NHB which is paid under protest by the Company.

Note 44.11 Derivatives

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by the National Housing bank.

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): No exposure

b) Exchange Traded Interest Rate (IR) Derivative: No exposure

c) Disclosures on Risk Exposure in Derivatives : Not applicable

Note 44.12 Securitisation

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017 issued by the National Housing bank.

The Company has no exposure under Securitisation.

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 44.13 Gold Loan

The Company has not provided any loans on collateral of Gold and Gold jewelleries.

Note 44.14

The Company is a large Corporate as per the applicability criteria given under the SEBI Circular SEBI/HO/DDHS/CIR/P/ 2018/144 dated November 26, 2018.

Particulars	Details
Name of the Company	Can Fin Homes Limited
CIN	L85110KA1987PLC008699
Outstanding Borrowings of the Company as on March 31, 2019, as applicable (₹ in Crore)	12,896.51
Highest Credit Rating during the Previous Year along with name of the Credit Rating Agency	ICRA AAA (Outlook Negative)
Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowings under the framework	NSE

*Outstanding borrowings of the company having original maturity of more than one year and excluding external commercial borrowings but including public deposits with maturity more than 1 year.

Note 45 Corporate Social Responsibility (CSR)

Your Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in promoting education including special education and employment in enhancing vocation skills especially among children. The Company also focuses on women empowerment by Promoting gender equality, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, livelihood enhancement projects for the elderly & the differently abled. Reducing inequalities faced by socially and economically backward group and contribution to Prime Minister's National Relief Fund also forms part of its CSR activities.

The activities undertaken by the Company under CSR is Pan India basis and the projects are executed by our branches in those areas. The total amount/ budget under CSR for the FY 2018-19 was ₹1,051 lakhs, (previous year ₹668 lakhs), out of which total amount spent under the CSR activities is ₹606.24 lakhs (previous year ₹338 lakhs). The unspent amount of ₹445 lakhs is carried forward as per provisions of Companies Act with the aim to go in for granular details/ appropriate projects before spending in FY 19-20. A summary of CSR details as on March 31, 2019 is given below:

(₹ in Lakh)

Activities undertaken	March 31, 2019		March 31, 2018	
	No. of Beneficiaries	Amount	No. of Beneficiaries	Amount
Construction/ repair & renovation of Schools/ Hostels	7	167.99	7	71.57
Desks & benches/ Tables/ Almirah/ Green Board/ Chairs etc.	32	88.56	57	143.09
Drinking water facility/ supply of other articles of necessity etc.	10	9.56	12	17.62
Nali kali round tables/ chairs/ desk & benches/ drinking water facility	13	52.61	25	67.56
Electrical & Electronic Items	1	0.72	3	2.71
Toilet Facility in Schools	1	1.18	1	3.36

Notes forming part of Financial Statements

for the year ended March 31, 2019

Note 45 Corporate Social Responsibility (CSR) (Contd..)

(₹ in Lakh)

Activities undertaken	March 31, 2019		March 31, 2018	
	No. of Beneficiaries	Amount	No. of Beneficiaries	Amount
Scholarship to students	3	5.80	1	0.35
Equipment to School	3	5.61	4	14.54
Equipment to Hospital	7	148.67	1	7.50
Equipment to old age homes	4	11.07	1	1.69
Eradicating Hunger	3	71.53	-	-
Solar lighting system	3	24.88	1	0.34
Environmental Sustainability	1	11.92	-	-
Tree planting under environmental protection/ sustainability/ saplings with tree guards/ pots to the customers.	2	6.14	3	7.52
Total	**90**	**606.24**	**116**	**337.85**

Note 46 Previous years figures have been re-arranged/ regrouped wherever necessary to correspond with the current year's classification/disclosure

As per our report of even date attached

For **Varma & Varma,**
Chartered Accountants
FRN:- 004532S

R. Kesavadas
Partner
Membership No: 23862

Place: Bangalore
Date: April 30, 2019

For and on behalf of the Board

Bharati Rao
Chairperson
DIN: 01892516

G Naganathan
Director
DIN: 00423686

Debashish Mukherjee
Director
DIN: 08193978

S K Hota
Managing Director
DIN: 07491088

Dr Y Vijayanand
Director
DIN: 00594503

Atanu Bagchi
Chief Financial Officer

S M Bhandiwad
Wholetime Director
DIN: 08193978

S Subramanian
Director
DIN: 07901414

Veena G Kamath
Company Secretary

List of Branches, AHLCs & SOs as on May 23, 2019

Registered Office

CAN FIN HOMES LTD.
No.29/1, Sir M N Krishna Rao Road,
Bangalore – 560 004
Tel: 080 26567655, 26563646
E-mail Id: development@canfinhomes.com

Branches

BLR - Basavanagudi
CAN FIN HOMES LTD.
No.93/04 1st Floor,
"Shanti Parvath", South End circle,
Basavanagudi,
Bengaluru-04
Tel: 080 – 2656 0277, 41216633
E-mail Id: basavanagudi@canfinhomes.com

Bengaluru – Begur
CAN FIN HOMES LTD.
No-2&4, Shanti Priya Layout,
Devarachikkanahali rd,
Behind Govt. High School,
Begur, Bengaluru – 560 068
Tel: 080 – 25740123
E-mail Id: begur@canfinhomes.com

Bangalore- Bidadi
CAN FIN HOMES LTD.
Sri Annapoorneshwari Complex,
1st Floor (above Canara Bank),
BGS Road, Bidadi,
Bangalore-562 109
Tel: 080 – 27282580
E-mail Id: bidadi@canfinhomes.com

Bangalore-Cunningham Road
CAN FIN HOMES LTD.
No - 19/5, 'Kareem Towers', 1st Floor,
Cunningham Road,
Bangalore - 560 052
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Bangalore -Devanahalli
CAN FIN HOMES LTD.
No.19/18/2598/2431/2105
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Devanahalli, Bangalore – 562 110
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E-mail Id: devanahalli@canfinhomes.com

Bangalore – Electronic City
CAN FIN HOMES LTD.
"VIJAY ICON" Sr.No.61/11,
Hoskur Gate, Anantha nagar road
Electronic City,
Bangalore – 560 100
Tel: 080-27833633
E-mail Id: electroniccity@canfinhomes.com

Bangalore-Hesaraghatta road
CAN FIN HOMES LTD.
No 765, 1st Floor, MEI Layout,
60 feet Road, Bagalagunte,
Hesaraghatta Road,
Bangalore-560 073
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Bangalore – HRBR Layout
CAN FIN HOMES LTD.
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2nd Cross, 1st Block, HRBR Layout,
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Bangalore-Jayanagar
CAN FIN HOMES LTD.
"Sajini", #69, Old no.35,
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Bangalore – Kanakapura Road
CAN FIN HOMES LTD.
No.58, 1st Floor,
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Bangalore-Koramangala
CAN FIN HOMES LTD.
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CAN FIN HOMES LTD.
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Sy. No.12,24, Beside D-Mart, Above TVS
Showroom Petbasheerbad Kompally
Hyderabad - 500067
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CAN FIN HOMES LTD.
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CAN FIN HOMES LTD.
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CAN FIN HOMES LTD.
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Nagpur
CAN FIN HOMES LTD.
Plot No M-3, 1st Floor,
West Side WHC Main road,
Near Aath Raasta Square, Scientific Layout,
Laxminagar,
Nagpur - 440022
Tel: 0712-2233898
E-mail Id: nagpur@canfinhomes.com

Nashik
CAN FIN HOMES LTD.
No.F-12, 1st Floor, Suyojit Sankul
Above Bafna Jewellers, Sharanpur,
Nashik – 422002
Tel: 0253 2318305
E-mail Id: nashik@canfinhomes.com

Goa
CAN FIN HOMES LTD.
307&308, 3rd Floor,
KAMAT TOWERS
Patto, Panjim,
Goa-403 001
Tel: 0832-2438517,2438518
E-mail Id: goa@canfinhomes.com

Pune
CAN FIN HOMES LTD.
101, UMA Apartment,CTS-2027, Tilak Road,
Near S.P. College,1st Floor, Sadashiva Pet
Pune - 411030.
Tel: 020-24321030/24321031
E-mail Id: pune@canfinhomes.com

Dharuhera
CAN FIN HOMES LTD.
1st Floor, Near Hanuman Mandir,
Sohna Road,
Dharuhera - 123 106
Haryana,
Tel: 01274 - 242381
E-mail Id: dharuhera@canfinhomes.com

Rohtak
CAN FIN HOMES LTD.
1st Floor, Anand Plaza, Shop No 104
Near Chottu Ram Chowk,
Rohtak – 124 001
Tel: 01262-257852
E-mail Id: rohtak@canfinhomes.com

Karnal
CAN FIN HOMES LTD.
1st Floor,SCO-2,Sec-9,
HUDA Market, Karnal-132001,Haryana
Tel: 0184-2231555
E-mail Id: karnal@canfinhomes.com

Bhopal
CAN FIN HOMES LTD.
Plot No 1, 1st Floor, Zone 2,
M P Nagar
Bhopal-462 011
Tel: 0755-2577939/2577935
E-mail Id: bhopal@canfinhomes.com

Gwalior
CAN FIN HOMES LTD.
1st Floor, Business Centre,
Plot.No.31, Near Income Tax City centre
Gwalior – 474 009
Tel: 0751-2233865
E-mail Id: gwalior@canfinhomes.com

Indore
CAN FIN HOMES LTD.
Kuber House',162, 1st Floor,
Kanchan bagh Main Road,
Indore – 452 001
Tel: 0731 -2521194/95
E-mail Id: indore@canfinhomes.com

Chandigarh
CAN FIN HOMES LTD.
SCO-87, 1st Floor
Sector 47-D
Chandigarh-160 047
Tel: 0172-2632925, 2632097
E-mail Id: chandigarh@canfinhomes.com

Jodhpur
CAN FIN HOMES LTD.
No 301, 3rd Floor, Front side,
Sabu Tower, 2nd Chopasani Road,
Jodhpur, Rajasthan.
Tel: 0291-2640128
E-mail-Id: jodhpur@canfinhomes.com

Lucknow
CAN FIN HOMES LTD.
#3, Shahnajaf Road, Ist Floor,
SPEED BUILDING, Heazrat Ganj
Lucknow-226 001
Tel: 0522-4065123/2230331
E-mail Id: lucknow@canfinhomes.com

Meerut
CAN FIN HOMES LTD.
#5, Pinnacle Tower 1st , Floor
Vaishali Corner, Ghar Road
Meerut-250 002
Tel: 0121-2779985
E-mail Id: meerut@canfinhomes.com

Dehradun
CAN FIN HOMES LTD.
Shanthi Plaza,1st Floor, GMS Road,
Near Wadia Institute
Dehradun-248001
Tel: 0135 -2520242
E-mail Id: dehradun@canfinhomes.com

AGRA
CAN FIN HOMES LTD.
#7/9,1st Floor, Sector-9,
Awas Vikas Colony, Near Kargil Petrol Pump,
Sikandara-Bodla Road,
Agra- 282007
Tel: 0562-4008500
E-mail Id: agra@canfinhomes.com

Varanasi
CAN FIN HOMES LTD.
D-58/12 A-2, 2nd Floor,
"Jasmaa Complex", Above Ksheer Sagar,
Gandhi Nagar, Sigra,
Varanasi-221010
Tel: 0542-2220221
E-mail Id: Varanasi@canfinhomes.com

Raipur
CAN FIN HOMES LTD.
Sai Towers Building, 1st Floor
Besides Azad Chowk Police Station,
Amapara, G E Road ,
Raipur-492 001
Tel: 0771-2531100/4097077
E-mail Id: raipur@canfinhomes.com

Patna
CAN FIN HOMES LTD.
"Deep House", 2nd Floor
Nala Road (Near Shiva Mandir)
Patna – 800 004
Tel: 0612-2721046, 2721047
E-mail Id: patna@canfinhomes.com

Baroda
CAN FIN HOMES LTD.
No.235, 2nd Floor, Kanha Capital,
Opp. Express Hotel,
R.C. Dutt Road, Alkapuri,
Vadodara - 390 007
Tel: 0265-2388326/2388327
E-mail Id: baroda@canfinhomes.com

Ahmedabad
CAN FIN HOMES LTD.
No.203, Samedh Building,
2nd Floor, C G Road,
Near Associated Petrol Pump
Ahmedabad-380 006
Tel: 079-26405312/26560759
E-mail Id: ahmedabad@canfinhomes.com

Bhubaneswar
CAN FIN HOMES LTD.
Plot No. SCR - 44, 1st Floor,
Kharavela Nagar, Unit 3
Bhubaneswar – 751 001
Tel: 0674-2393345 / 0674-2393061
E-mail Id: bhubaneswar@canfinhomes.com

Jaipur
CAN FIN HOMES LTD.
Office No.S-14 to S-21, 2nd Floor,
GeejgarhTowers, Hawa Sadak,
Jaipur-302006
Tel: 0141-2211644/2211645
E-mail: jaipur@canfinhomes.com

Kota
CAN FIN HOMES LTD.
1-C-18, SFS, Front Side, 1st Floor,
Sheela Choudhary Road, Talwandi,
Kota-324 005.
Tel: 0744-2426600
E-mail Id: kota@canfinhomes.com

Udaipur
CAN FIN HOMES LTD.
No-101, 1st Floor,
Plot No-643, Subhash Villa
Hiranmagri Sec 13,
Udaipur- 313001.
Tel: 0294-2485770
E-mail Id: Udaipur@canfinhomes.com

Pondicherry
CAN FIN HOMES LTD.
D No.115, 1st Floor, Vysial Street,
Pondicherry-605 001
Tel: 0413-2338447
E-mail Id: pondicherry@canfinhomes.com

Ghaziabad
CAN FIN HOMES LTD.
C-18 1st Floor, RDC Rajnagar,
NCR-Ghaziabad 201002
Tel: 0120 – 2825555
E-mail Id: ghaziabad@canfinhomes.com

Mansarovar
CAN FIN HOMES LTD.
23/49, 1st Floor, Near KL Saini Stadium,
Madhyam Marg, Mansarovar,
Jaipur- 302020
Tel: 0141-2974555
E-mail Id: mansarovar@canfinhomes.com

Ajmer
CAN FIN HOMES LTD.
Shop No.10, 1st Floor,
Bhandana Complex, Nasirabad Road,
Opp. Balupura Road, Adarsh nagar
Ajmer-305001
Tel: 0145-2680249
E-mail Id: ajmer@canfinhomes.com

Ambala
CAN FIN HOMES LTD.
Showroom No.4, 1st Floor, Prem Nagar,
Old Delhi Road, Ambala,
Harayana-134003
Tel: 0171 - 2550560
E-mail Id: Ambala@canfinhomes.com

Allahabad
CAN FIN HOMES LTD.
43/10, 1st Floor, Sardar Patel Marg Civil Lines
Allahabad,
Allahabad - Uttar Pradesh
Tel: 0532 2260680
E-mail Id: allahabad@canfinhomes.com

Kanpur
CAN FIN HOMES LTD.
Block No.63/3, Mall Road,
Harbans Mohal, Kanpur - 208001
Uttar Pradesh
Tel: 0512-2302067
E-mail Id: kanpur@canfinhomes.com

Kalyan
CAN FIN HOMES LTD.
Unit No 1, 1st Floor,Om Supreme Building,
Rambhau, Patwardhan Road,
Nr.D-Mart, Ball Bazar
Kalyan,
Thane-421301
Tel: 0251-2304040
E-mail Id: kalyan@canfinhomes.com

Jabalpur
CAN FIN HOMES LTD.
No.78, 1st Floor, J R Sama Complex,
Naramada Road
Gorakpur, Jabalpur - 482 001
Madhya Pradesh
Tel: 0761 2411886
E-mail Id: jabalpur@canfinhomes.com

Berhampur
CAN FIN HOMES LTD.
Plot No.1168/2422, Ground Floor,
Hilipatna, Near Nehru Park
Station Road, Berhampur - 760 005
Odisha
Tel: 0680 2221888
E-mail Id: berhampur@canfinhomes.com

Bilaspur
CAN FIN HOMES LTD.
1st Floor, B C Plaza, Khata No.1538/3,
Vikas Nagar, Mungeli Road
Mangala Chowk, Bilaspur - 495001
Chhattisgarh
Tel: 07752 404571
E-mail Id: bilaspur@canfinhomes.com

Aurangabad
CAN FIN HOMES LTD.
Office No. 101, 1st Floor,
Anand Business Center
C.T.S No. 17303,
Opp. Sant Eknath Rang Mandir
New Usmanpura,
Aurangabad - 431005
Tel: 9944453331
E-mail Id: aurangabad@canfinhomes.com

Bhavnagar
CAN FIN HOMES LTD.
Flat No. 202, 2nd Floor, Corporate House
Opp. HDFC Bank Waghawadi Road
Bhavnagar - 364002
Tel: 0278-2562056
E-mail Id: bhavnagar@canfinhomes.com

Chakan
CAN FIN HOMES LTD.
Office No - 171, Dnyanda City, Dnyanda
Builders, Dnyanda / Jadhav Commercial Center
Near Chakan ST Stand,
Chakan Shikrapur Road
Chakan - 410501
Tel: 02135-249230
E-mail Id: chakan@canfinhomes.com

Jamnagar
CAN FIN HOMES LTD.
Office No. 239-240, 2nd Floor,
Madhav Plaza
Near Lal Bunglow, Opp. SBI
Jamnagar - 361001
Tel: 0288 2554151
E-mail Id: jamnagar@canfinhomes.com

Kolhapur
CAN FIN HOMES LTD.
No. 560, E, 1st Floor, Mahavir Bhavan
Shahapuri Vyapari Peth,
Kolhapur - 416001
Tel: 0231 2666478
E-mail Id: Kolhapur@canfinhomes.com

Rajkot
CAN FIN HOMES LTD.
No.202, Corporate Levels, 2nd Floor,
150 feet Ring Road
Near Ayodhya Chowk
Rajkot - 360005
Tel: 9886907291
E-mail Id: rajkot@canfinhomes.com

Hinjewadi
CAN FIN HOMES LTD.
1st Floor, Phadatare Heights,
Above ICICI Bank Ltd
Near D'Mart
Hinjewadi, Pune - 411012
Tel: 7798985647
E-mail Id: hinjewadi@canfinhomes.com

Alwar
CAN FIN HOMES LTD.
Plot No. 6, 2nd Floor
Lajpat Nagar
Alwar - 301001
Tel: 0144-2704055
E-mail Id: alwar@canfinhomes.com

Haridwar
CAN FIN HOMES LTD.
1st Floor, Above Ujjivan Bank, Arya Nagar
Opp. Subharambh Wedding Point
Jwalapur Main Road,
Haridwar - 249407
Tel: 01334 250030
E-mail Id: haridwar@canfinhomes.com

Jalandhar
CAN FIN HOMES LTD.
SCO-13, 1st Floor, Puda Complex,
(Opp. Tehsil Complex) Ladowali Road
Jalandhar - 144001
Tel: 0181-2242900
E-mail Id: jalandhar@canfinhomes.com

Jhansi
CAN FIN HOMES LTD.
1st Floor, SBI Main Branch Building,
Opp. Dhyanchand Stadium
Chitra-BKD Road, Civil Lines
Jhansi - 28400
Tel: 0510-2332676
E-mail Id: jhansi@canfinhomes.com

Rewa
CAN FIN HOMES LTD.
Hall No. 5A 2/4 Block A,
2nd Floor, Shilpi Plaza
Rewa - 486001
Tel: 7625013270
E-mail Id: rewa@canfinhomes.com

Sagar
CAN FIN HOMES LTD.
1st Floor, Central Bank Building
Gopal Ganj,
Sagar - 470001
Tel: 07582-220456
E-mail Id: sagar@canfinhomes.com

Durgapur
CAN FIN HOMES LTD.
UCP-001, Ground Floor
Bengal-Ambuja City Centre
Durgapur - 713 216
Tel: 0343-2546404/625013273
E-mail Id: durgapur@canfinhomes.com

Jagatpura
CAN FIN HOMES LTD.
1st Floor, Rajawat Tower, Plot No. 200,
Lajpat Nagar
Near 7 No. Choraha, Maha Road
Jagatpura, Jaipur
Tel: 7625013274
E-mail Id: jagatpura@canfinhomes.com

Bhilai
CAN FIN HOMES LTD.
Shop No.255-258, 1st Floor,
Above HDFC Bank
Chouhan Estate. G.E.Road,
Supela Bhilai, Bhilai - 490023
Tel: 0788-4902391
E-mail Id: bhilai@canfinhomes.com

Bhimavaram
CAN FIN HOMES LTD.
Flat No. 04, Ground Floor, Door No. 2-1-50,
SVR Towers
J P Road, Bhimavaram - 534202
Tel: 08816-297744
E-mail Id: bhimavaram@canfinhomes.com

Kadapa
CAN FIN HOMES LTD.
Sri Vasavee Towers, D No. 42/1454-1,
1st Floor
Sankarapuram Kadapa - 516002
Tel: 08562 247589
E-mail Id: kadapa@canfinhomes.com

Nizamabad
CAN FIN HOMES LTD.
H No 5-6-370, 1st Floor, Road No 3
Hyderabad Road,
Land Mark - Opp. Lane to More Super Market,
Andhra Bank
Saraswathi Nagar,
Nizamabad - 503001
Tel: 08462 223244
E-mail Id: nizamabad@canfinhomes.com

Siddipet
CAN FIN HOMES LTD.
Office No. 101, D No. 18-54, 1st Floor,
Prajay Srinilayam
Beside New Bus Stand
Siddipet - 502103
Tel: 08457 230122
E-mail Id: siddipet@canfinhomes.com

Jharsuguda
CAN FIN HOMES LTD.
B K Building, 2nd Floor,
Opposite Canara Bank SME Branch
Sarbahal Road, Jharsuguda
Tel: 8074089466
E-mail Id: jharsuguda@canfinhomes.com

Affordable Housing Loan Centres (AHLCs)

Attibele AHLC
CAN FIN HOMES LTD.
Site no.1, D-1014, 1st Floor,
Opp. Syndicate Bank,
Attibele Circle, Sarjapur Road, Attibele,
Bangalore – 562107
Tel: 080-27844440
E-mail Id: attibele@canfinhomes.com

Thanisandra AHLC
CAN FIN HOMES LTD.
No. 48,Ground Floor, 5th Main Road
Central Excise Layout,
Shivaram Karanth Nagar
Thanisandra
(attached to HRBR Layout branch),
Bangalore - 560 077
Tel: 080-28443415
E-mail Id: thanisandra@canfinhomes.com

White Field AHLC
CAN FIN HOMES LTD.
No. 3 & 4, 1st Floor, Immadihalli Main Road
Vinayaka Layout, Whitefield,
Bangalore - 560 066
Tel: 080 28454501
E-mail Id: whitefield@canfinhomes.com

Doddaballapura AHLC
CAN FIN HOMES LTD.
Shop No. 1, Ground Floor,
Ganeshappa Complex, (Near Canara Bank),
Gowribidanur Road,
Mallathhalli Post Palanajogihalli,
Doddaballapur - 561203, Karnataka
Tel: 080 27622134
E-mail Id: doddaballapur@canfinhomes.com

Ramnagaram AHLC
CAN FIN HOMES LTD.
Sadvi Complex, # 3 1106/624/1, 1st Floor,
Vivekananda Nagar
B. M. Road (Attached to BLR- Bidadi),
Ramanagara - 562159 0097, Karnataka
Tel: 9739316557
E-mail Id: ramanagaram@canfinhomes.com

Dharwad AHLC
CAN FIN HOMES LTD.
1, 1st Floor, Diamond Corner Complex,
Near Maruti Temple,
Dharwad, Dharwad - 580001
Line Bazar, Hubballi
Tel: 0836 - 2443507
E-mail Id: dharwad@canfinhomes.com

A S Rao Nagar AHLC
CAN FIN HOMES LTD.
1st Floor, D.No.1-8-4/2, North Kamalanagar
Hyderabad – 500 062
Tel: 040-27148161
E-mail Id: asraonagar@canfinhomes.com

Sangareddy AHLC
CAN FIN HOMES LTD.
Shop No. 6, House No. MIG – 31, Phase II,
Gram panchayat No. 2 – 66,
Pothireddypally Village,
Sangareddy Mandal, Medak - 502001,
Andhra Pradesh
Tel: 08455 277550
E-mail Id: sangareddy@canfinhomes.com

Ghatkesar AHLC
CAN FIN HOMES LTD.
Shop No 1 and 2 H No 5 122, 1st Floor,
Canara Nagar
Peerzadiguda, Opp: Anutex, Medipalli,
Mandal,
Medchal-Malkajgiri Dist,
Telangana-500039.
Tel: 040-29709230
E-mail Id: ghatkesar@canfinhomes.com

Tenali AHLC
CAN FIN HOMES LTD.
H.No.9-94/1, Railway Station Road,
Angalakuduru
Tenali, Tenali - 522 211
Andhra Pradesh
Tel: 08644 225838
E-mail Id: tenali@canfinhomes.com

Thirumangalam AHLC
CAN FIN HOMES LTD.
D.No.46/1, HDFC Bank Building,
Opp. MEPCO Schlenk Primary
School,Madurai Main Road, Thirumangalam
– 625706 Madurai District
Tel: 04549-282499
E-mail Id: thirumangalam@canfinhomes.com

Gobichettypalayam AHLC
CAN FIN HOMES LTD.
Block-C Room No 23A/3, 1st Floor,
Santhan Kanthan
Complex, Opp TNSTC Depot, Erode Road,
Gobichettypalayam-638476
Tel: 04285-222446
E-mail Id: Gobichettypalayam@canfinhomes.com

Batlagundu AHLC
CAN FIN HOMES LTD.
(Dindigul Main Branch)
5 - 1, Anu Towers, 1st Floor,
Madurai Main Road, Opp. SBI
Near Kaliamman Temple,
Batlagundu - 624202,Tamil Nadu
Tel: 04543 245057
E-mail Id: batlagundu@canfinhomes.com

Mandideep AHLC
CAN FIN HOMES LTD.
B-202, 1st Floor, Indra Nagar, Mandideep,
Bhopal – 462046
Tel: 07480-233922
E-mail Id: mandideep@canfinhomes.com

Mandideep AHLC
CAN FIN HOMES LTD.
B-202, 1st Floor, Indra Nagar, Mandideep,
Bhopal – 462046
Tel: 07480-233922
E-mail Id: mandideep@canfinhomes.com

Jhothwara AHLC
CAN FIN HOMES LTD.
(Mansarovar Main Branch)
S-61 & 62, Laxman Rekha Scheme No-17,
Nangal Jaisa Bohra, Jhotwara, Jaipur-302012
Tel: 0141 2345578
E-mail Id: jhotwara@canfinhomes.com

Palwal
CAN FIN HOMES LTD.
1st Floor, Ashirwad Plaza,
Opp. Nishant Public School Rasolpur Road,
Palwal-121102
Tel: 01275 240033
E-mail Id: palwal@canfinhomes.com

Shoranur AHLC
CAN FIN HOMES LTD.
Malutty Shopping Corner, Post Office Road,
Shoranur-679121
Palakkad
Tel: 0466 2224440
E-mail Id: shoranur@canfinhomes.com

Manesar AHLC
CAN FIN HOMES LTD.
1st Floor, Shop No. F - 14
Raheja Square,
Manesar - 122051, Haryana
Tel: 0124-2290152
E-mail Id: manesar@canfinhomes.com

Rewari AHLC
CAN FIN HOMES LTD.
SCO – 119, 1st Floor, Brass Market
Rewari , Rewari - 123401
Haryana
Tel: 01274 - 223015
E-mail Id: rewari@canfinhomes.com

Pithampur AHLC
CAN FIN HOMES LTD.
G-1, 1st Floor, Jeevan Complex,
Mhow-Neemuch Road
Pithampur, Madhya Pradesh - 454774
Tel: 01292-298273
E-mail Id: pithampur@canfinhomes.com

Neyyatinkara AHLC
CAN FIN HOMES LTD.
XII / 504 - E, 1st Floor, Asif Centre,
Alummoodu
Neyyattinkara
Trivandrum - 695121
Tel: 0471 220117

Satelllite Offices (SOs)

Yeshwanthpur SO
CAN FIN HOMES LTD.
(Cunningham Road Main Branch)
S No.7, No.580, Grnd Floor,
Ramachandra Complex,
9th Cross, 1st Main, Yeshwanthpur,
Bangalore -560022
Tel: 080-23370023
E-mail Id: yeshwanthpur@canfinhomes.com

Cox Town SO
CAN FIN HOMES LTD.
(Cunningham Main Branch)
47, Ground Floor, Wheeler Road
Cox Town, Bangalore - 560005
Karnataka
Tel: 080 25466622
E-mail Id: coxtown@canfinhomes.com

Vidyaranyapura SO
CAN FIN HOMES LTD.
(Sahakarnagar Main Branch)
101, Ground Floor, II Main, III Cross,
AMS Layout
Vidyaranyapura
(Attached to BLR-Sahakarnagar),
Bangalore - 560097, Karnataka
Tel: 080-23649967
E-mail Id: vidyaranyapura@canfinhomes.com

Vijayanagar SO-Mysore
CAN FIN HOMES LTD.
(Mysore Main Branch)
#4999, 1st Floor, Vijayanagara 2nd Phase,
4th Stage Devaraja Mohalla,
Mysuru-570017
Tel: 8884341284
E-mail Id: Vijayanagar_mysuru@canfinhomes.com

Rajarajeshwari Nagar SO
CAN FIN HOMES LTD.
(Vijayanagar Main Branch)
Shop No 9, Site No 20, CMC Khata No 26,
Ideal Homes Township, R R Nagar,
Bengaluru-560098
Tel: 080 28606080
E-mail Id: rajarajeswarinagar@canfinhomes.com

Peelamedu SO
CAN FIN HOMES LTD.
(Coimbatore-Gandhipuram Main Branch)
No.88, 'D', 1st Floor, E S Corner,
Avinashi Road,
Hope College, Coimbatore 641004
Tel: 0422 – 2591563
E-mail Id: peelameedu@canfinhomes.com

Thiruverambur SO
CAN FIN HOMES LTD.
(Trichy Main Branch)
No.9 & 10, Riyaz Complex, 1st Floor,
Erumbeeswarar Nagar,
Trichy - 620013
Tel: 0431 2511100
E-mail Id: thiruvembur@canfinhomes.com

Velur SO
CAN FIN HOMES LTD.
(Karur Main Branch)
No.13(1), 1st Floor,
Old Byepass Road, Paramithi,
Velur – 638182
Tel: 04268-222068
E-mail Id: velur@canfinhomes.com

Cuddalore SO
CAN FIN HOMES LTD.
(Pondicherry Main Branch)
106, 1st Floor, Nethaji Road
Manjakuppam,
Cuddalore - 607001,Tamil Nadu
Tel: 04142 232323
E-mail Id: cuddalore@canfinhomes.com

Kangeyam SO
CAN FIN HOMES LTD.
(Tirupur Main Branch)
5G, 1st Floor, Rajaji Street,
Above Indian Bank
Kangeyam, Tirupur, Tamil Nadu
Tel: 04257-221414
E-mail Id: kangeyam@canfinhomes.com

Oddanchatram SO
CAN FIN HOMES LTD.
(Dindigul Main Branch)
276/1 - 9, Sri Sri Sakthi Complex,
1st Floor, Opp: Bus Stand
Oddanchatram - 624619
Tamil Nadu
Tel: 04553 244196
E-mail Id: oddanchatram@canfinhomes.com

Patia SO
CAN FIN HOMES LTD.
(Bhubanswar Main Branch)
Plot No.HIG-191, L-1153/97,
P S Chandrashekarpur, Kanan Vihar
Patia, Bhubaneswar - 751 024 Odisha
Tel: 8143166539
E-mail Id: patia@canfinhomes.com

Kazhakuttom SO
CAN FIN HOMES LTD.
(Trivandrum Main branch)
No.2, Ground Floor, SS Complex,
Near Police Station
Kazhakuttom,
Trivandrum – 695001
Tel: 0471 – 2415446
E-mail Id: kazhakuttom@canfinhomes.com

Aluva SO
CAN FIN HOMES LTD.
(Cochin Main Branch)
D.No.352/2, 1st Floor,
Alookaran Complex,
Market Road, Aluva – 683101,
Tel: 0484 2632826
E-mail Id: aluva@canfinhomes.com

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Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Registered Office

No. 29/1, 1st Floor, M N Krishna Rao Road,
Near Lalbagh West Gate, Basavanagudi,
Bengaluru 560004

a K&A creation | www.kalolwala.co.in

Name & Address:

Serial No.:

Can Fin Homes Ltd
(Sponsor : CANARA BANK)
HOME LOANS & DEPOSITS
Translating Dreams into Reality

Joint-Holder(s):

Registered Folio No./DP ID No./Client ID No.:	Number of Shares held

Dear Member,

Subject : Can Fin Homes Ltd. – E-voting Instructions – 32nd Annual General Meeting (AGM) - July 17, 2019
Venue: `NIMHANS Convention Centre', Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka 560029

The Notice of the above said AGM, Attendance Slip, Proxy Form, Instructions for e-voting and Annual Report are being sent in electronic mode to all members whose e-mail addresses are registered with the Company/ RTA and/or Depository Participant for communication purpose, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address(es), physical copies of all the above stated documents are being sent separately by permitted mode. Soft copies of the said documents are being made available on the website (www.canfinhomes.com – Investor Page) of the Company for download.

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide the facility to its members, to exercise their right to vote electronically (on resolutions proposed to be considered at the 32nd AGM to be held on Wednesday, the July 17, 2019) and the business may be transacted through e-Voting Services. The Company has engaged the services of the National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website viz., www.canfinhomes.com (Investor Page – Events – 32 AGM) and on the website of NSDL viz., www.nsdl.co.in

E- voting particulars

EVEN (Remote e-voting event number)	User ID	Password/PIN

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

Commencement of e-voting	End of e-voting
July 12, 2019 at 9:00 am IST	**July 16, 2019 at 5:00 pm IST**

Please read the following instructions before casting your vote:

These details and instructions form an integral part of the Notice of the Annual General Meeting to be held on July 17, 2019.

Instructions for e- voting

The instructions for e-voting are as follows:

Step 1: Log in to NSDL's e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL's e-voting system.

Step 1

How to log in to the NSDL e-voting website

1. Visit the e-Voting website of NSDL by opening your web browser and by typing the URL; https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS log-in details. Once you log-in to NSDL e-services using your log-in credentials, click on `e-Voting' and proceed to Step 2 i.e., cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example if the EVEN is 108439 and folio number is 001*** and then user ID is 108439001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and change your password, as prompted by the system.
   c) How to retrieve your 'initial password'?
   (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL in your mailbox. Open the email and open the attachment (it will be a .pdf file). The password to open the file is your 8 digit client ID for your NSDL account or the last 8 digits of your CDSL client ID or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you have not received the "Initial password" or are unable to retrieve it or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (for those holding shares in demat accounts with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) A **"Physical User Reset Password?"** (for those holding shares in physical mode) option is also available on www.evoting.nsdl.com.
   c) If you are unable to get your password following the aforesaid options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, agree to the "Terms and Conditions" by checking the box.
8. Next click on the "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful logging in following Step 1, you will be able to see the e-Voting Home page. Click on `e-Voting'. Then, click on `Active Voting Cycles'.
2. Upon clicking on 'Active Voting Cycles', you will be able to see "EVEN" of all the Companies in which you are holding shares and whose voting cycle is in active status.
3. Select the "EVEN" of `Can Fin Homes Ltd.' for which you wish to cast your vote.
4. Now you are on the Voting page and ready for e-voting.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit". Also click on "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Please remember that you are not allowed to modify your vote once you confirm your vote on the resolution.

General Guidelines for shareholders

1. Institutional Members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to **canfinscrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and the e-voting User Manual for Shareholders available in the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no. +91 22 2499 4545, who will also address grievances connected with voting by electronic means.
4. The e-voting period commences on July 12, 2019 (9:00 a.m. IST) and ends on July 16, 2019 (5:00 p.m. IST). During this period, members of the Company holding shares either in physical or dematerialized form, as on the relevant date i.e., July 10, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution on which a vote has already been cast. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice convening the AGM and upto the cut-off date i.e., July 10, 2019, may obtain his login ID and password by sending a request at evoting@nsdl.co.in
5. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the relevant date i.e. July 10, 2019.

By order of the Board of Directors
For Can Fin Homes Limited

Sd/-
Veena G Kamath
Company Secretary

Place: Bengaluru
Date: June 10, 2019

CAN FIN HOMES LIMITED
Registered Office: No. 29/1, 1st Floor
Sir M N Krishna Rao Road, Basavanagudi, Bengaluru – 560 004.
CIN – L85110KA1987PLC008699
Tel: 080 26564259 / Fax: 080 26565746
e-mail: compsec@canfinhomes.com / Website- www.canfinhomes.com