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

CIN – L85110KA1987PLC008699
Regd. Office : No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bengaluru-560 004, Tel : 26564259, 26565736
Fax :26565746, E-mail : sathyaprakash@canfinhomes.com, www.canfinhomes.com

Notice of the 28th Annual General Meeting

NOTICE is hereby given that the TWENTYEIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CAN FIN HOMES LTD., will be held at 11 A.M. on Wednesday the July 08, 2015 at the J.S.S. Shivarathreeswara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bengaluru-560 082 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, 2015 and statement of the Profit and Loss account 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 for the financial year ended March 31, 2015.

Agenda No.3 – Re-appointment of Shri S.A.Kadur

To appoint a Director in the place of Shri S.A.Kadur who retires by rotation and being eligible, offers himself for re-appointment.

Agenda No.4 – Appointment of Auditors

To appoint statutory auditors and to authorise the Board of Directors to appoint branch auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of Directors of the Company and consider and if thought fit, to pass, with or without modification(s), the following Resolution (s):

"RESOLVED that pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s.K.P.Rao & Co., Chartered Accountants are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as may be fixed by the Board of Directors, applicable taxes thereon and reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting audit of the accounts of the Company.

RESOLVED FURTHER that pursuant to the provisions of Section 143(8) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company is hereby authorised to appoint any person(s) qualified for appointment as auditor(s) of the Company under Section 141 and all other applicable provisions, if any of the Companies Act, 2013 as Branch Auditors for audit of any of the Branch offices of the Company, present and future, from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such terms and conditions, including remuneration and reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting audit of the accounts any branch office(s)".

SPECIAL BUSINESS

As Ordinary Resolution(s)

Agenda No.5 – Appointment of Smt.P.V.Bharathi as a Director, liable to retire by rotation.

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

"RESOLVED that in accordance with the provisions of Section 160(1) and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, Smt.P.V.Bharathi (DIN-06519925) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 22 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 Smt.P.V.Bharathi 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 P.B.Santhanakrishnan as an Independent Director

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

"RESOLVED that in accordance with the provisions of Section 149 and 152 and any other applicable provisions, if any, 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 P.B.Santhanakrishnan (DIN-03213653) whose period of office is liable to determination by retirement of directors by rotation (under the erstwhile Companies Act, 1956) 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 P.B.Santhanakrishnan as a candidate for the office of director, is hereby appointed as an Independent Director of the Company for a term of one year until the conclusion of the Annual General Meeting of the year 2016 and whose office shall not be liable to retire by rotation".

Agenda No.7 – Acceptance of deposits from public

To consider and if thought fit, to pass, with or without modification(s), the following 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 and 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".

As Special Resolution(s)

Agenda No.8 – Increasing the borrowing powers of the Board of Directors of the Company from ₹12,000 Crore to ₹14,000 Crore.

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

"RESOLVED that in supersession of the earlier resolution(s) passed at the Twenty Seventh Annual General Meeting of the Company held on July 30, 2014, the consent of the Company is hereby accorded under the provisions of 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 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 (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital and free reserves of the Company, provided that the total outstanding money(ies) so borrowed by the Board of Directors of the Company at any time shall not exceed ₹14,000 Crore (Rupees Fourteen Thousand Crore) only."

Agenda No.9 – Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue covenants for negative pledges/lien etc.

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

"RESOLVED that in supersession of the earlier resolution(s) passed at the Twenty Seventh Annual General Meeting of the Company held on July 30, 2014 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company, are hereby authorised to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company, mortgage and/or create charge(s), hypothecation(s) in addition to the existing mortgages, charge(s), hypothecation(s) created by the Company on all or any of the assets and properties both immovable and movable, including whole or any part of the undertaking of the Company and further to issue covenants for negative pledges/negative liens in respect of the said assets and properties and for the purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and further to execute the required documents including power(s) of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions, trustees, as and by way of security for the due repayment of the sums of money together with interest or other money(ies) due thereon, if any, already borrowed or to be borrowed by the Company there from shall be within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013".

Agenda No.10 – Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹ 2,500 Crore on private placement.

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a 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, Directions/Guidelines issued by the National Housing Bank/ Regulators or any other statutory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee thereof) and the Board is authorised to offer or invite/issue subscription for Redeemable Non-Convertible Debentures (NCDs) upto an amount of ₹ 2,500 Crore (Rupees Two thousand Five hundred Crore) only, 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, number of securities, number of tranche(s), to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription of such securities, securities for the issue, if any, 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 this resolution, 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.11 - Approval for Related Party Transactions

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

"RESOLVED that pursuant to the Provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Amendment) Act, 2015, read with applicable Rules under the Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement(s) executed with the Stock Exchanges including any amendment, modification or re-enactment thereof, approval of the members of the Company hereby is accorded for entering into any contracts or arrangements with the related party(ies) viz., Canara Bank, the Sponsor Bank of the Company and/or their subsidiaries 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 or place of profit in the Company, remuneration for

underwriting of securities etc., or reimbursement towards any transaction or any transaction of whatever nature for an amount not exceeding ₹ 3,000 Crore (Rupees Three thousand Crore) only.

RESOLVED FURTHER that all the Related Party Transactions with respect to entering into contract(s)/arrangements with respect to the transactions as detailed above already entered into by the Company with the Related Party(ies) upto to the date of this annual general meeting are hereby ratified.

RESOLVED FURTHER that the Board of Directors of the Company and/or 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."

12. Approval for "CFHL Employees Stock Option Scheme 2015"

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

"RESOLVED that pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Rules made thereunder and the Memorandum and Articles of Associations of the Company and Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as `SEBI Regulations') as amended from time to time and related rules, regulations, guidelines, and subject to such other approvals, consents, permissions and sanctions, as may be necessary, the consent and approval of the Company is hereby accorded to the `CFHL Employees Stock Option Scheme 2015' (hereinafter referred to as the `CFHL scheme') and to the Board of Directors of the Company (hereinafter referred to as `Board' which term shall be deemed to include any Committee including Nomination & Remuneration Committee, to exercise its powers including the powers conferred by this resolution) to create, offer and grant from time to time, Options to the employees, existing and future, upto 1% of the paid up equity share capital of the Company of the face of Rs.10/- each fully paid up in one or more tranches, on such other terms and in such manner and subject to such conditions as the Board may decide in accordance with the provisions of the law or regulations issued by the relevant authorities.

RESOLVED FURTHER that the Board is hereby authorised to issue and allot Equity Shares to the employees upon exercise of Options from time to time in accordance with the CFHL Scheme and also to envisage for providing financial assistance to the employees to exercise their option to acquire, purchase, subscribe or hold the equity shares of the Company under the CFHL scheme.

RESOLVED FURTHER that the Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER that the grant of Option shall be in accordance with the terms and conditions as regards price, payment, application, allotment etc., as decided by the Board from time to time in accordance with the SEBI Regulations.

RESOLVED FURTHER that for the Board is hereby authorized to take necessary steps for listing of the equity shares allotted under CFHL Scheme on the Stock Exchanges where the shares of the Company are listed and to determine all other terms for the purpose of giving effect to any Offer, issue and allotment of equity shares as described under the CFHL Scheme and to do all such acts, deeds and things and to execute all such deeds, documents, instruments and writings as it may at its sole and absolute discretion deem necessary or expedient to settle any question, difficulty or doubt that may arise in this behalf without being required to seek further consent or approval of the members.

By Order of the Board of Directors

Place: Bengaluru
Date: 02/06/2015

Sd/-
Veena G Kamath
Company Secretary

Registered Office:
No.29/1, I Floor, Sir M N Krishna Rao Road
Basavanagudi, Bengaluru – 560 004
CIN: L85110KA1987PLC008699

NOTES

1. The Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 with respect to the special business set out 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 Clause 35B of the listing agreements, the Company has provided a facility to the members to exercise their right to vote electronically through electronic voting (e-voting) service facility arranged by National Securities Depository Limited (NSDL). The facility for voting through ballot paper and e-voting will also be made available at 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 at the said AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not cast their votes again. The instructions for e-voting are annexed to the Notice.

3. (a) A member entitled to attend the meeting and vote thereat is entitled to appoint a proxy. A proxy can vote on behalf of the member only on a poll but shall not have the right to speak.

   (b) A proxy need not be a member of the Company.

   (c) 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.

   (d) 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.

   (e) 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 the meeting or holding the adjourned meeting in relation to which the proxy is given.

   (f) A proxy form for 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 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 Friday, the June 26, 2015 to Wednesday the July 8, 2015** (both days inclusive) for the purpose of determining the entitlement of shareholders to the payment of dividend for the financial year ended March 31, 2015.

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 on June 25, 2015.

7. Copies of the Notice of the 28th AGM, Annual Report 2015, Attendance Slip and Proxy 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 2015 are being sent by the permitted mode.

8. Members may note that the notice of the 28th AGM, the Annual Report 2015 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 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. 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 (9.30 a.m. to 5 p.m.) on all working days upto the date of declaration of the result of the 28th AGM of the Company.

10. Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s. 170 of the Companies Act, 2013 will be available for Inspection by the members at the AGM.

11. The Register of Contracts or arrangements in which the Directors are interested, maintained u/s.189 of the Companies Act, 2013, if any, will be available for inspection by the Members at the AGM.

12. Additional information, pursuant to Clause 49 of the listing agreement with stock exchanges, in respect of the directors seeking appointment/re-appointment at the AGM is furnished in the explanatory statement forming part of this Notice. The directors have furnished consent/declaration for their appointment/re-appointment as required under the Companies Act, 2013 and related Rules.

13. The members desirous of obtaining any information with regard to the audited annual accounts of the Company for the financial year 2014-15 or on any other related subject are requested to write to the Company at 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.

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

    (a) Attendance Slip duly completed and signed by the respective members or/proxy.

    (b) 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 at the Annual General Meeting.

    (c) DP & Client ID Number(s), by members holding shares in de-materialised form.

    (d) Folio number(s), by members holding shares in physical form.

    (e) Copy of the Annual Report.

General Information:

1. **Unclaimed Dividend:** Pursuant to the provisions of Section 205A & 205C of the Companies Act, 1956, the dividend declared for 2007-08 remaining unclaimed and unpaid as on September 29, 2015 would be transferred to the Investor Education & Protection Fund (IEPF) on completion of 7 years. Members may please note that as of date no claim shall lie against the IEPF or the Company in respect of Dividend 2008 after September 29, 2015. Members who have not encashed their dividend warrants for the years 2007-08 to 2013-14 are requested to approach the RTA of the Company at the earliest.

2. **E-mail address:** The Company is 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 requested to provide their e-mail address to the Company via e-mail to compsec@canfihomes.com / 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 form are requested to register their e-mail address with their respective Depository Participant for enabling us send the annual report etc., via e-mail.

3. **Payments in electronic mode:** SEBI vide its Circular dated 21/03/2013 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 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 (separate for physical and demat holders) for furnishing Bank account particulars with the related IFSC Code, are made available on the website of the Company viz., www.canfinhomes.com for download by the members and submission to the Company. The said forms are also made available at the end of the Annual Report. 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.

4. **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 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.

5. **Nomination facility:** Pursuant to Section 72 of the Companies Act, 2013 (corresponding section 109A of the Companies Act, 1956 which the Company had been communicating), 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 at the end of the Annual Report and also in the website of the Company.

6. **Correspondence:** Members are requested to address all correspondence, including payment of 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
CIN: U85110KA1994PLC016174

Annexure to the notice

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act").

In respect of Agenda No.5

The Board of Directors of the Company, appointed Smt.P.V.Bharathi (DIN 06519925) as an Additional Director of the Company with effect from September 22, 2014 pursuant to Article 22 of the Articles of Association of the Company ("Articles"), read with Section 161, 149(1) and all other applicable provisions of Companies Act, 2013 and as per the revised Clause 49 of the Listing Agreement for appointment of a woman director on the Board. Smt.P.V.Bharathi holds office only up to the date of the ensuing Annual General Meeting.

Smt.P.V.Bharathi is a Post Graduate in Arts (M.A.). She is also a B.Ed., graduate and a CAIIB.

Smt.P.V.Bharathi has more than 31 years of experience in the banking industry. She has served in different branches in the NCR Region and also in Tamil Nadu State. She has experience in Rural, Semi-urban, Urban and Metro Branches of the Bank. She has also worked in the administrative offices of the Bank. Presently, Smt.Bharathi is the General Manager, Canara Bank, Head Office, Bengaluru.

Presently, Smt.P.V.Bharathi, is a Director on the Boards of Canbank Venture Capital Ltd, Canara HSBC OBC Life Insurance Co. Ltd, and Cordex India Pvt Ltd.

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

Smt.P.V.Bharathi 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. She 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 Smt.P.V.Bharathi, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming her eligibility for such appointment.

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, Smt.P.V.Bharathi, being eligible, is proposed to be appointed as a director, liable to retire by rotation, at the ensuing Annual General Meeting.

Your directors are of the opinion that Smt.P.V.Bharathi fulfills the conditions specified in the Companies Act, 2013 for such appointment and her appointment as a director would be in the best interest of the Company.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No Director other than Smt.P.V.Bharathi, 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.

In respect of Agenda No.6

Shri P.B.Santhanakrishan is an Independent Director of the Company (in terms of Clause 49 of the Listing Agreement) whose period in office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. He joined the Board of Directors ("the Board") of the Company on February 16, 2012. In terms of Section 149(13) of the Companies Act, 2013 the provisions relating to retirement of directors by rotation shall not be applicable to the appointment of independent directors.

Shri.P.B.Santhanakrishnan is a degree holder in Science and a Fellow of the Institute of Chartered Accountants of India (ICAI). He is a senior partner of M/s P.B.Vijayaraghavan & Co., Chartered Accountants, Chennai, which is also the Central Statutory Auditors of the Life Insurance Corporation of India. He has a wide experience in auditing of corporate and non-corporate entities, including PSUs and public sector banks. He is also engaged in consultation on tax matters and representation before SEBI/SAT/CBDT & ITAT on Corporate and Income Tax matters.

Shri.P.B.Santhanakrishnan is a former member of the RBI Committee on RTGS. He has held various positions in other organisations and has an experience of about 35 years in the profession. Presently, he is a director on the Board of Tamilnadu Minerals Ltd (A Government of Tamilnadu undertaking). He is the Chairman of the Audit Committee and a member of Stakeholders' Relationship Committees in your company.

The Board of Directors of your Company have appointed Shri P.B.Santhanakrishnan as an Independent Director with effect from March 30, 2015 for a term upto one year until the conclusion of the Annual General Meeting of the year 2016 pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof and Article 20(a) of the Articles of Association of the Company thereof, for the time being in force) and that he shall not be liable to retire by rotation.

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

Shri P.B.Santhanakrishan, is holding 520 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 Shri P.B.Santhanakrishnan, 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 the effect that he meets the criteria of independence as provided in section 149(6) of the Act.

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 P.B.Santhanakrishnan being eligible, is proposed to be appointed as an Independent Director to hold office for a period of one year until the conclusion of the Annual General Meeting of the year 2016.

Your directors are of the opinion that Shri P.B.Santhanakrishnan fulfils the conditions specified in the Companies Act, 2013 for such appointment and his appointment as an independent director would be in the best interest of the Company and is independent of the Management.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.6 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No Director, other than Shri P.B.Santhanakrishnan 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.

Copy of the draft letter for appointment of Shri P.B.Santhanakrishan as an independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

In respect of Agenda No.7

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, effective from April 01, 2014 your 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).

In order to be eligible for accepting deposits from the public in terms of section 73(2) of the Companies Act, 2013, your 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 Act". However, your Company being a housing finance Company registered with NHB, has been following the Directions/ guidelines issued by the National Housing Bank from time to time with regard to acceptance and renewal of deposits and continue to follow the Directions/Guidelines issued by NHB from time to time.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.7 of the Notice.

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.

In respect of Agenda No.8

At the 27th Annual General Meeting of the Company held on July 30, 2014, consent of the shareholders was obtained u/s.180(1)(c) and all other applicable provisions, if any, of the Companies Act 1956, 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 ₹ 12,000 Crore (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business). Further, with the business operations growing and the expected growth in the activities and operations of the Company the aforesaid limit of ₹ 12,000 Crore (Rupees Twelve Thousand Crore) is likely to exceed in due course/in the near future.

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 ₹ 12,000 Crore to ₹ 14,000 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.8 by way of special resolution to enable the Board of Directors of the Company to borrow moneys upto a sum of ₹ 14,000 Crore (Rupees Fourteen thousand Crore).–

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

None of the 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.

In respect of Agenda No.9

In terms of Section 180(1)(a) and all other applicable provisions, if any of the Companies Act, 2013, an authorisation/ consent by the members of the Company is required to mortgage and/or to create charge on all or any of the assets and properties immovable and movable, including undertaking(s) of the Company and further to issue covenants for negative pledges/ negative liens in respect of the said assets and properties and for the purpose, to do and perform all such acts, deeds, matters and things as may be necessary, desirable or expedient and further to execute the required documents including powers of attorney in favour of all the lenders as and by way of security for the due repayment of sums of money together with interest or other moneys due thereon, if any, such borrowings within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) of the Companies Act, 2013.

The above said authorisation(s)/consent by the members of the Company are to be made to the Board of Directors by means of a Special Resolution, which shall be within the overall limits of the borrowing powers of the Board of Directors of the Company as determined from time to time by the shareholders pursuant to Section 180(1)(c) and all other applicable provisions, if any of the Companies Act, 2013.

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

None of the 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.

In respect of Agenda No.10

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, if any, 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 Non-convertible Debentures upto an amount of ₹ 2,500 Crore (Rupees Two thousand Five hundred Crore only) on private placement basis for a period of one year from the conclusion of this Meeting until the conclusion of the next Annual General Meeting in one or more tranches, subject to the condition that the amount accepted in the form of the said Non-Convertible Debentures together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1)(c) of "the Act".

The terms of issue of the above Non-Convertible Debentures 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 company in consultation with the merchant bankers / arrangers, if any appointed by the Company for the purpose. All the required details/disclosures relating to the issue would be made available in the respective information memorandum.

In order to issue Non-Convertible Debentures by way of an offer or invitation for subscription on private placement and in terms of the above mentioned provisions of "the Act" 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.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.10 of the Notice.

None of the Directors 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.

In respect of Agenda No.11

In terms of Section 188 of the Companies Act, 2013 and Companies (Amendment) Act, 2015, 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 revised Clause 49 of the Listing Agreement(s) which has come into operation with effect from October 01, 2014, as amended from to time, 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 special resolution and the related parties shall abstain from voting on such resolutions.

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 overall related party transactions of the Company with Canara Bank outstanding as on March 31, 2015 was around Rs.2463 Crore as against Rs.2603 Crore (approx.) as on March 31, 2014. The Company proposes to continue entering into contracts and arrangements with Canara Bank upto an aggregate extent of Rs.3000 Crore. Hence, the proposed related party transaction is a material transaction, prior approval of the Company is sought by way of special resolution.

Hence, approval/ratification of the shareholders of the Company is requested 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 ₹ 3,000 Crore (Rupees Three thousand Crore) only.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.11 of the Notice.

No Directors, other than Shri C.Ilango, General Manager of Canara Bank and the Managing Director of the Company, Shri S.A.Kadur, General Manager and Smt.P.V.Bharathi, General Manager of Canara Bank or any key managerial personnel or their relatives are in any way concerned or interested in the said resolution.

In respect of Agenda No.12

1. Equity based compensation is a well-established practice among progressive employers for aligning the employees efforts with organizational objectives, fostering sense of ownership by benefiting from value creation and for attracting and retaining talent. In this context, the Company proposes to implement the Employee Stock Option Scheme (ESOS) 2015 hereinafter referred to as "The CFHL ESOS Scheme 2015" to incentivize and reward employees for their contribution to the achievement of the company's future growth plan.

2. Accordingly, the Board of Directors of the Company at its meeting held on June 02,2015 has accorded in principle, approval for introduction of the "The CFHL ESOS Scheme 2015" subject to the approval of the members and the provision of the SEBI (Share Based Employee benefits) Regulation, 2014 (hereinafter referred to as "SEBI regulations") as amended from time to time and authorised the Nomination and Remuneration Committee to formulate the detailed terms and conditions of the "The CFHL ESOS Scheme 2015" and to administer and implement the "The CFHL ESOS Scheme 2015" in accordance with the SEBI regulations as amended from time to time.

   "The CFHL ESOS Scheme 2015" – Key features

   The "The CFHL ESOS Scheme 2015" shall be in accordance with the "SEBI regulations".

   (i) **Total number of options to be granted:** The maximum number of options to be granted to the eligible employees of the Company and the resulting equity shares that may be issued pursuant to the exercise of the options in the "The CFHL ESOS Scheme 2015" shall not exceed 1% of the total paid up capital of Rs 10 each.

   (ii) **Identification of the class of employees entitled to the scheme:** Identification of employees eligible to participate in the ESOS and grant of options to identified employees will be based on such parameters as may be decided by the Nomination and Remuneration committee in its discretion from time to time. Employees for this purpose will mean employees in the permanent employment of the Company, present and future.

   (iii) **Award of options:** The Nomination and Remuneration committee may, on such dates, as it shall determine, grant to such eligible employees as it may in its absolute discretion, options on the fully paid equity shares of the Company on the terms and conditions and the consideration as it may decide.

   (iv) **Requirements and period of vesting:**

      i. The vesting may happen in one or more years over a period as determined by Nomination and Remuneration committee.

      ii. The vesting of options will be linked to loyalty and/or achievement of such financial targets fixed to employees as the Nomination and Remuneration committee may set in the context of the company's future growth plans.

      iii. The vesting period may vary from allottee to allottee based on various attending circumstances and shall be at the exclusive discretion of the Nomination and Remuneration committee but shall never be less than the minimum vesting period stipulated, if any, under SEBI regulations and/ar provisions of any applicable statutory enactments.

      iv. Except in case of retirement, demise or permanent incapacity, continuation of employee in the service of the company as the case may be, shall be a primary requirement for the vesting of the options. The Nomination and Remuneration committee shall formulate the other requirement of vesting, which may, inter alia, include loyalty, individual performance, efficiency or productivity criteria.

v. The maximum vesting period of options shall be not more than 5 years from the date of grant of options.

vi. So long as it is required by SEBI regulations, in the event of the death of the employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee, and in the event of permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation shall vest in him on that date.

(v) **Exercise price:** All options would be granted as decided by Nomination and Remuneration Committee.

(vi) **Exercise period and the process of exercise:** The exercise period will commence from the date of first vesting and will be valid for a maximum period of 1 year after the last vesting. The option shall be deemed to have been exercised when an employee makes an application in writing to the company for the issuance of equity shares against the options vested in him, or for encashment under cashless scheme as provided in SEBI regulations.

Upon the expiry of exercise period, the options granted and vested under "The CFHL ESOS Scheme 2015" shall not be exercisable and shall lapse. However, the lapsed option shall be available for fresh issue, unless cancelled by the Board.

(vii) **Appraisal process for determining the eligibility of employees:** The appraisal process for determining the eligibility of employees to whom the option shall be granted, shall be based on the loyalty and the performance of the employees as indicated by the Annual performance appraisal, minimum period of service, the cadre of the employees of the company and other factors deemed relevant by the Nomination and Remuneration committee.

(viii) **Maximum number of options to be issued in aggregate:** The maximum number of options granted to the identified employees, under "the CFHL ESOS Scheme 2015" shall not exceed 1% of the total paid up capital of the company at the time of the grant of the option, over a period of 5 years.

(ix) **Accounting policies and disclosures:** The Company will confirm to the disclosures and the accounting policies prescribed under SEBI regulations and by other regulatory authorities from time to time.

(x) The Board of Directors subject to SEBI regulations may make any modifications, changes and variations in the terms and conditions of the scheme including but not limited to those relating to exercise price, eligibility criteria, number of options etc. to reflect fair adjustment needed including in the event of intervening corporate actions such as bonus issue, rights issue, change in capital structure, etc.

3. As per SEBI regulations, any scheme offering stock options to the employees must be approved by the members by way of special resolution(s). Also since the said scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the members by way of special resolution(s) is required as per Section 62 of the Companies Actn 2103 read along with rules framed thereunder, as applicable.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.12 of the Notice.

None of the Directors or relatives of the Directors is in any way concerned or interested, financially or otherwise, in the said resolution.

By Order of the Board of Directors

Place: Bengaluru
Date: 02/06/2015

Sd/-
Veena G Kamath
Company Secretary

Registered Office:
No.29/1, I Floor, Sir M N Krishna Rao Road
Basavanagudi, Bengaluru – 560 004
CIN: L85110KA1987PLC008699

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

CIN – L85110KA1987PLC008699
Regd. Office : No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bengaluru-560 004, Tel : 26564259, 26565736
Fax :26565746, E-mail : sathyaprakash@canfinhomes.com, www.canfinhomes.com

ATTENDANCE SLIP

I hereby record my presence at the Twenty-Eighth Annual General Meeting held on Wednesday, the July 08, 2015 at 11.00 a.m. at the J.S.S. Shivarathreeswara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bengaluru - 560 082.

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

Name of the Proxy or Company Representative .....
(In Capital Letters)

Signature of Shareholder(s) OR
Proxy or Company's Representative.....

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 as additional Copies of the same will not be made available at the Meeting.

Reg. Folio No. .....

* Client ID No. .....

* DPID No. ..... No. of shares held

* Applicable for investors holding shares in electronic form.

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

CIN – L85110KA1987PLC008699
Regd. Office : No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bengaluru-560 004, Tel : 26564259, 26565736
Fax :26565746, E-mail : sathyaprakash@canfinhomes.com, www.canfinhomes.com

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 & DP ID : .....

I/We, being the member(s) of _____ 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) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Wednesday, the 8th day of July 2015 at 11.00 a.m. at the J.S.S. Shivarathreeshwara Centre Auditorium, 1st Main, 8th Block, Jayanagar, and Bengaluru-560 082 and 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, 2015 together with the Reports of Directors and Auditors.		
2	Declaration of dividend for the year ended March 31, 2015.		
3	Re-appointment of Shri S.A.Kadur, Director retiring by rotation.		
4	Appointment of M/s.K.P.Rao & Co., Chartered Accountants, as statutory auditors for a period of one year from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM at such remuneration as may be fixed by the Board of Directors and to authorise the Board of Directors to appoint branch auditors for a period of one year from the conclusion of this AGM until the conclusion of the next AGM and fix their remuneration.		
5	Appointment of Smt. P.V.Bharathi, as a Director liable to retire by rotation		
6	Appointment of Shri P.B.Santhanakrishnan, FCA, as an Independent Director		
7	Consent of the members, to the Board of Directors for acceptance of deposits from public		
	Special Resolutions		
8	Increasing the borrowing powers of the Board of Directors of the Company from 12,000 Crore to ₹ 14,000 Crore.		
9	Authorisation to the Board of Directors to mortgage, create charge on or any of the assets of the Company and further issue of covenants etc.		
10	Approval for Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹ 2,500 Crore on private placement.		
11	Approval for related party transactions		
12	Approval for grant of Employee Stock Option - "The CFHL Employees Stock Option Scheme 2015"		

Signed this ..... day of 2015

Affix Revenue Stamp

Signature of shareholder

Signature of Proxy holder(s)

Notes:

(a) A member 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.

(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 28th Annual General Meeting of the Company for further related details.

Creating a platform for sustainable growth

28TH ANNUAL REPORT 2014-15

Can Fin Homes Ltd
(Sponsor : CANARA BANK)
ಕ್ಯಾನ್ ಫಿನ್ ಹೋಮ್ಸ್ ಲಿ.

Senior Management Personnel

1. Smt. Shamila M, DGM
2. Shri. K S Sathyaprakash, DGM
3. Shri. R M Veerappan, DGM, Chennai
4. Shri P Vijayasekhara Raju, DGM, Kukatpally
5. Shri. Sunil Mittal, DGM, Noida
6. Shri. Atanu Bagchi, AGM, Regd. Office-CFO/KMP
7. Shri Ajay Kumar G Shettar, AGM, Koramangala
8. Shri. B M Sudhakar, AGM, New Delhi
9. Shri. N Babu, AGM, Nampally
10. Shri. G K Nagaraja Rao, AGM, Jayanagar
11. Shri. Prashanth Shenoy, AGM, Regd.Office
12. Shri. A Madhukar, AGM, Vijayanagar
13. Shri. V Durga Rao, AGM, Regd. Office
14. Shri. R Murugan AGM, Cunningham Road
15. Shri. M Sundar Raman, CM, Tambaram
16. Shri. Jagadeesha Acharya, CM, Uttarahalli
17. Shri. H R Narendra, CM, Regd. Office
18. Shri. Prakash Shanbogue B, CM
19. Shri. Prashanth Joishy, CM, Mumbai
20. Shri. Srinivas Malladi, CM, Gachibowli
21. Shri. PS Mallya, CM, Kengeri
22. Shri. A Uthaya Kumar, CM, Coimbatore
23. Shri. K Srinivas, CM, Faridabad
24. Shri. Sanjay Kumar, CM, Gurgaon
25. Shri. D R Prabhu, CM, Marathahalli
26. Shri. R Madhu Kumar, CM, Bhopal
27. Shri. Arun Kumar V, CM, Basavangudi
28. Smt. Veena G Kamath,CM,Regd.Office-CS/KMP
29. Shri. Jayakumar N, CM, Hosur
30. Shri. S N Venkatesh, CM, Sarjapur
31. Shri. P Badri Srinivas, CM, Vijayawada

Auditors

K P Rao & Co.,
Chartered Accountants
'Poornima', II floor, 25, State Bank Road,
Bangalore – 560-001

Principal Banker

Canara Bank
Prime Corp. Branch
MG Road
Bangalore

Other Bankers

HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.
Bank of Baroda
Deutsche Bank
Federal Bank

Registrars & Share Transfer Agents (RTA)

Canbank Computer Services Ltd.,
Unit: Can Fin Homes Ltd.,
R & T Centre, J P Royale
1st floor, No.218, 2nd Main
Sampige Road (Near 14th Cross)
Malleshwaram, Bengaluru – 560003
Tel : 080-23469661
E-Mail : canbankrta@ccsl.co.in
CIN : U85110KA1994PLC016174

Debentures Trustees

SBICAP Trustee Company Ltd
6th floor, Apeejay House
3, DinshawWadia Road
Churchgate, Mumbai - 400020
Tel :022-43025555
Fax :022-43025500
Email: murali.v@sbicaptrustee.com
Website :www.sbicaptrustee.com
CIN :U65991MH2005PLC158386

CONTENTS

02 OPERATIONAL & FINANCIAL HIGHLIGHTS
04 ABOUT CAN FIN HOMES
06 A PERFORMANCE OVERVIEW WITH THE MD
08 FINANCIAL HIGHLIGHTS
12 REINFORCING OUR FUNDING BASKET
13 DIVERSIFYING OUR PRODUCT MIX/BASKET
14 ROBUST SYSTEMS AND PROCESSES
15 OUR COMPETENCIES
16 MANAGING RISK AT CAN FIN
18 CSR
20 BOARD PROFILE
22 MANAGEMENT DISCUSSION AND ANALYSIS REPORT
34 REPORT OF DIRECTORS
44 AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE
58 DIRECTORS REPORT ON CSR
61 REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE
72 GENERAL INFORMATION TO THE SHAREHOLDERS
80 INDEPENDENT AUDITOR'S REPORT
84 BALANCE SHEET, PROFIT AND LOSS ACCOUNT & STATEMENT OF ACCOUNTS
106 LIST OF BRANCHES/ OFFICES IN INDIA
117 NOMINATION FORM
119 ECS MANDATES
120 MANDATE FORM FOR ELECTRONIC PAYMENT MODE

CAN FIN HOMES IS ONE OF THE FASTEST-GROWING AND MOST RESPECTED HOUSING FINANCE COMPANIES IN INDIA.

HOWEVER, OUR STORY EXTENDS WELL BEYOND NUMBERS, MARGINS AND RATIOS.

OUR STORY IS ESSENTIALLY ABOUT SERVICE. ABOUT REACH. ABOUT PROCESSES. ABOUT RELATIONSHIPS. ABOUT FRIENDSHIP FINANCE

OUR SUCCESS STORY GOES FURTHER: SIGNIFICANT BRANCH EXPANSION, CHANGES IN ASSET LIABILITY MIX AND INCREASE IN BUSINESS AND PROFITS

Operational & Financial Highlights

SL No	Parameters	2010-11	2011-12	2012-13	2013-14	2014-15
I – STATISTICS ON BUSINESS						
1	Loan Approvals (₹ in cr)	545.53	1105.41	2092.65	2907.27	3670.18
2	Loan disbursements (₹ in cr)	472.78	859.07	1813.77	2548.39	3346.41
3	Total Loan outstanding (₹ in cr)	2207.51	2674.39	4016.15	5844.01	8231.29
4	Out of 3 above,					
	i. Housing Loans (₹ in cr)	2174.03	2598.59	3782.45	5331.09	7297.61
	ii. Non Housing Loans (₹ in cr)	33.47	75.80	233.70	512.92	933.68
5	Borrowings (₹ in cr)	1903.79	2300.30	3538.89	5268.53	7374.51
6	NPA					
	i. Gross NPA (₹ in cr)	23.47	19.01	15.66	12.10	14.35
	ii. Gross NPA %	1.06	0.71	0.39	0.21	0.17
	iii. Net NPA %	NIL	NIL	NIL	NIL	NIL
7	Average Assets (₹ in cr)					
	i. Housing loan	2104.37	2302.95	3131.99	4607.15	6234.24
	ii. Non Housing loan	89.27	46.02	117.96	340.05	735.58
	iii. Investments	42.04	38.54	20.82	20.31	20.18
8	Average Borrowings (₹ in cr)	1852.60	1993.63	2797.64	4298.98	6388.39
9	No. of Branches / Offices					
	i. Branches	41	52	69	83	107
	ii. Satellite Offices	0	0	0	0	10
10	No. of Employees	223	251	319	387	491
II - STATISTICS ON INCOME & EXPENDITURE						
11	Interest Collected (₹ in cr)					
	i. Housing Loan	216.64	270.14	356.36	508.76	686.30
	ii. Non Housing Loan	6.22	6.17	21.27	46.88	100.22
	iii. Investment	3.39	2.94	1.08	1.41	1.37
12	Processing Charges (₹ in cr)	4.96	6.93	13.78	20.69	28.41
13	Other Income (₹ in cr)	0.08	0.65	0.21	0.26	0.73
14	Total Income (₹ in cr) (11+12+13)	231.29	286.83	392.70	578.00	817.03
15	Interest Paid (₹ in cr)	154.13	195.53	283.01	422.76	610.29
16	Net Interest Income (NII) (₹ in cr) (11-15)	72.12	83.71	95.69	134.29	177.60
17	Staff Cost (₹ in cr)	10.93	11.01	15.73	17.90	24.75
18	Other Expenses (₹ in cr)					
	i. Establishment	3.76	4.53	6.05	7.15	8.38
	ii. DSA Commission	0.00	0.94	4.33	6.33	7.56
	iii. Professional fees – IBS	0.00	0.00	1.00	1.93	2.39
	iv. Others	2.16	3.10	4.42	5.38	6.13
19	Depreciation (₹ in cr)	0.34	0.55	1.16	2.01	3.73
20	Bad Debts written off (₹ in cr)	0.00	2.81	3.29	3.22	2.10
21	Operating Cost (₹ in cr) (17+18+19)	17.19	20.13	32.69	40.70	52.94
22	Total Cost (₹ in cr) (15+20+21)	171.32	218.47	318.99	466.68	665.33

SL No	Parameters	2010-11	2011-12	2012-13	2013-14	2014-15
23	Operating Profit (₹ in cr) (14-22)	59.97	68.36	73.71	111.32	151.70
24	Provisions & Taxes (₹ in cr)					
	i. Standard Assets	0.15	11.00	6.85	8.00	12.00
	ii. Non Performing Assets	1.31	(3.61)	(8.24)	(3.56)	2.25
	iii. Income Tax	17.25	17.80	20.20	30.93	43.23
	iv. Deferred Tax Liability/(Asset)	(0.75)	(0.58)	0.78	0.24	7.98
25	Net Profit (₹ in cr) (23-24)	42.02	43.76	54.12	75.71	86.24
III–STATISTICS ON FINANCIALS & RATIOS						
26	Share Capital (₹ in cr)	20.49	20.49	20.49	20.49	26.62
27	Reserves (₹ in cr)	290.47	327.09	371.68	431.81	744.86
28	Shareholder's Funds – Tier I (₹ in cr) (26+27-DTA)	305.89	341.92	387.30	447.44	771.49
29	Number of Shares (in cr)	2.05	2.05	2.05	2.05	2.66
30	Tier II Capital (₹ in cr) - SA Provision	0.15	11.15	18.00	26.00	38.00
	- Tier II Bonds	0.00	0.00	0.00	0.00	100.00
31	Dividend					
	i. Percentage	25	30	40	65	70
	ii. Amount (₹ in cr) excluding tax	5.12	6.15	8.20	13.32	18.64
	iii. Payout Ratio %	12.19	14.05	15.15	17.59	21.61
	iv. Dividend yield %	2.33	2.67	2.94	3.41	1.15
32	Book Value (BV) (FV of share ₹10) ((26+27)/ 29)	151.69	169.63	191.40	220.80	290.03
33	Earnings per Share (EPS) (25 / 29)(₹)	20.50	21.36	26.42	36.93	32.42
34	Return on Equity (ROE) % (25 / (26+27))	13.51	12.59	13.80	16.74	11.18
35	Return on Average Asset (ROA) % (25 / 7)	1.88	1.83	1.65	1.53	1.23
36	Closing Stock Price (CMP/NSE) (₹ as on 30th March)	107.15	112.45	135.90	190.70	607.40
37	CMP/ Earnings (P/E Ratio) (36 / 33)	5.22	5.26	5.14	5.16	14.65
38	CMP / Book Value (P/B Ratio) (36 / 32)	0.71	0.66	0.71	0.86	2.09
39	Risk Weighted Assets (₹ in cr)	1598.20	1961.04	2631.41	3421.11	4945.71
40	Capital Adequacy Ratio (CAR) % ((28+30)/39)	19.14	18.00	15.40	13.84	18.39
41	Net Interest Margin (NIM) % pa (16 / 7)	3.23	3.51	2.93	2.71	2.54
42	Cost to Income Ratio % (21 / (16+12+13))	22.28	22.04	29.80	26.22	25.61
43	Average Business Per Branch (₹ in cr)	56.71	47.94	49.38	61.65	67.15
44	Average Business Per Employee (BPE) (₹ in cr)	11.68	10.88	11.43	13.90	15.90
45	Average Yield on Assets % pa (11/7)	10.12	11.70	11.58	11.22	11.27
46	Average Cost of Borrowings % pa (15/8)	8.32	9.81	10.11	9.83	9.55
47	Interest Spread % pa (45-46)	1.80	1.89	1.47	1.39	1.72
48	Gearing ratio (5/28)	6.22	6.73	9.14	11.78	9.57

Note:

Sl.No.31 : Subject to declaration at the AGM on 08/07/15

Sl.No.33&34 : If computed based upon average equity (since right issue capital was received/ accounted on 13/03/15 only) then ROE will be 18.20% & EPS will be ₹41.45 for 2014-15

Sl.No.35 : If computed including DTL component (₹9.69 Cr), then ROA will be 1.37% for 2014-15

Sl.No.41 : If processing charge (sl.no.12) is added, then NIM will be 2.94% p.a for 2014-15

About Can Fin Homes

So what makes Can Fin Homes (CFHL) one of the most attractive growth proxies of India's mortgage finance industry?

- CFHL (sponsored by Canara Bank, a Nationalised Bank and ranked fourth in India) operates with high levels of operational transparency and embraces the most ethical business practices.

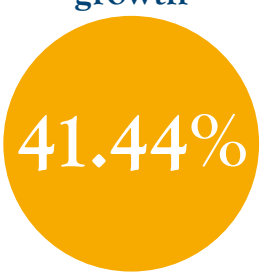
- This provides the safety of a public sector company with the efficiency of a private sector organization for all stakeholders.

- Extending safe credit and hence maintaining strong asset quality; growing its loan book faster than the industry average.

- Making full provisions for entire NPA (since 2010), well above the industry standard, deepening its market reach faster than ever by increasing the branch network from 83 to 117 branches/ satellite offices in 2014-15 and looking to 140 branches/ satellite offices in 2015-16.

This combination of speed and safety translated into superior value for customers, shareholders, employees and the community.

Interest income growth

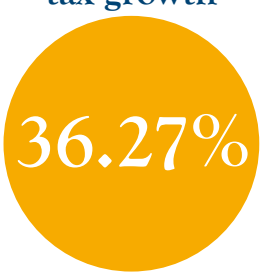


2013-14 ₹557.05 crore | 2014-15 ₹787.89 crore

Net interest income growth

2013-14 ₹134.29 crore | 2014-15 ₹177.60 crore

Profit before tax growth



2013-14 ₹111.32 crore | 2014-15 ₹151.70 crore

Year-on-year progress, 2013-14 vs 2014-15

VISION

Promote home ownership, increase the housing stock in the country and transform the lives of Indian households by enabling access to home ownership.

LEGACY

- Can Fin Homes (promoted by Canara Bank in 1987, 'The international year of shelter for homeless') is a housing finance company registered with the National Housing Bank, one of the earliest in India's mortgage sector and permitted to accept deposits from public.
- The Company was incorporated with the objective to make home ownership a reality, mainly, for thousands of middle-income Indians through timely, affordable and friendly home finance

PRODUCT PORTFOLIO

The Company offers a range of loan products:

- **Housing loans products:** Individual housing loans, loans under urban housing, Gruhalakshmi rural housing loans and composite loans
- **Non-housing loans products:** Site loans, mortgage loans/ loans against property, loans for commercial property, personal loans, flexi-lap and commercial housing loans and other deposit products

POSITIONING

- Can Fin Homes is India's sixth largest housing finance company with assets under management of ₹8251 crore as on 31 March 2015
- The Company possesses an extensive pan-Indian network of 107 branches and 10 satellite offices spread across 19 Indian states/Union Territories, representing a high density branch network as on 31/03/15; 69% of the company's branches are located in south India. The company continues to expand its branches across all regions in India

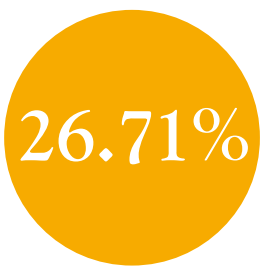
LISTING

- The Company's shares are listed and actively traded on the Bombay and National Stock Exchanges in India
- The Company enjoyed a market capitalization of ₹1616.91 crore as on March 31, 2015 (₹390.65 crore as on 31 March 2014)
- Canara Bank, the principal sponsors, held 43.47% of the company's equity capital as on 31 March 2015 (42.38% as on 31 March 2014)

Profit after tax growth with DTL

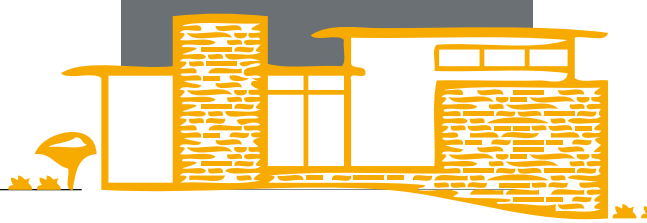
2013-14	2014-15
₹75.71 crore	₹86.24 crore

Profit after tax growth without DTL



2013-14	2014-15
₹75.71 crore	₹95.93 crore

Can Fin Homes is the first housing finance company to be promoted by a nationalized bank in India



A PERFORMANCE OVERVIEW WITH SHRI C. ILANGO,

MANAGING DIRECTOR

Q WHAT WERE THE KEY DEVELOPMENTS OF 2014-15?

A We reported several achievements during the year:

One, our loan book grew by 41% from ₹5844 crore to ₹8232 crore in 2014-15 as against the housing finance industry's average of 24%. We were able to set in motion our strategy of diversifying the business mix both on liabilities and assets side of the Balance Sheet and through extensive branch expansion.

Two, the company's higher operating profit growth of 36% (from ₹111 crore in 2013-14 to ₹152 crore) in 2014-15 was the result of a strong net interest margin of 2.54% with GNPA at 0.17%, effective technology absorption and a tight enterprise-wide cost management. We continued to improve our operating efficiency, manage costs through systems and process refinements and by leveraging technology. It must be mentioned that our core banking platform was introduced in 2013-14.

Three, to augment future business growth, we could successfully mobilize capital through a rights issue totalling ₹276 crore.

Four, from July 2014 onwards, we have started mobilizing funds through commercial papers at lower costs of different maturities, in all up to ₹2750 crore, which was ₹975 crore as at the end of the year under report.

Q WHAT WERE SOME OF THE HIGHLIGHTS ON BRANCH EXPANSION IN 2014-15?

A For a housing finance company like ours, it is increasingly essential to expand our branch network and density. In our opinion, this will increase visibility across the country, enhance reach to newer horizons and help us to forge new relationships. During 2014-15, we increased our branch network by establishing 24 branches and 10 satellite offices, raising the total count to 117 at the close of the year. However as a measure of driving efficiency, the average branch size was maintained at about 800 sq. ft manned by around two members, which helped us control rental and people costs. Besides, 71% of our new branches were commissioned in South India and the rest in the other parts of the country.

Q CAN YOU EXPLAIN THE RATIONALE FOR YOUR RIGHTS ISSUE?

A Our rights issue enabled us to mobilize ₹276 crore in March 2015. This helped to shore up our capital adequacy ratio (18.39% as at March 2015) and create a corpus to sustain our capital requirements until FY2017. Though the Company had many options of raising capital, in order to reward the loyalty of investors, we chose the rights issue. Our rights issue comprising 61.34 lakh shares in the ratio of 3:10 (three rights shares for every 10 shares held) was fully subscribed, validating shareholder faith in our enterprise.

Q WHAT IS THE FUNDAMENTAL GROWTH RATIONALE FOR THE COMPANY?

A **One,** Can Fin Homes enjoys a strong presence in South India with focus on salaried class customers. Almost 69% of our total branch base is located in the region, of which 18% is in Bengaluru alone. It is likely that we will continue to benefit significantly through this projected growth in sanctions, disbursements and loan book. South India contributed 22% of India's GDP and 28% of employment.

Two, we also possess a team of professional home-grown talent and are confident that our human resources are at par with the best in the industry, representing a security in times of high attrition and comfort in succession planning.

Three, though demand for real estate in other cities stagnated or even declined, the realty sector is showing signs of recovery in south India. Urbanisation rate in south India is approximately 40% vs 30% in all India. We believe south India will lead urbanisation.

Q WHAT WERE SOME OF THE OTHER CAN FIN ACHIEVEMENTS OF 2014-15?

A Our sanctions grew YoY at 26% (₹3,670 crore) and disbursements at 31% (₹3,346 crore). During the year under report, we re-balanced our loan portfolio, doubling the share of non-housing loans with higher yields from ₹513 crore to ₹934 crore.

Our ratings were upgraded to AAA rating by 3 major rating agencies; this enabled us to mobilize resources through the issue of commercial paper at attractive interest rates, strengthening our fund base. Besides, we have fine-tuned our rigorous internal control checks, ensured high compliance of laws and focused on our chosen demographics (middle class - salaried) and together with our online monitoring system for effective controls enabled us to have a better loan review mechanism.

Q CAN YOU EXPLAIN HOW THE COMPANY'S NON-PERFORMING ASSETS MOVED IN 2014-15?

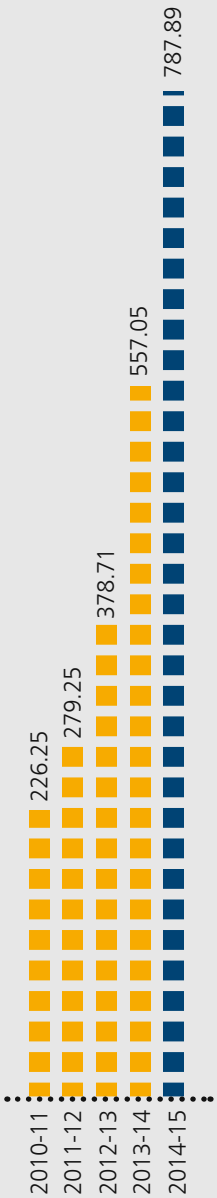
A The Company's gross NPAs at ₹14.35 crore as on March 31, 2015 (₹12.10 crore as on March 31, 2014) was probably the lowest in the industry, the sectoral average GNPA being 0.71% during 2014-15. Our net NPAs continued to be nil since 2010 even as we conservatively embraced an NPA provision coverage ratio at 100%. Our gross NPA percentage declined from 0.21% to 0.17% as on March 31, 2015. Besides, we could recover ₹1.37 crore in 20 long-pending NPA accounts by way of a one-time settlement apart from recovery of ₹0.67 crore under written-off accounts

Q WHAT IS THE COMPANY'S OUTLOOK FOR 2015-16?

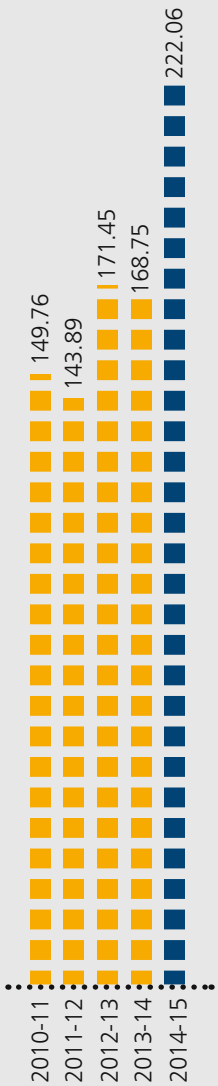
A Our 'Vision 2020' plan envisages a loan book of ₹35,000 crore with a CAGR of 30%. For now, we expect to grow our loan book to about ₹11,000 crore during 2015-16 through the existing branch network and with the addition of 23 new branches/ satellite offices (taking the total number to 140). We have plans of doubling our non-housing loan portfolio to ₹2,000 crore. Our thrust will be on further reduction in the cost of borrowings, continued to focus on maintaining our good asset quality, improving operating efficiency and margins.

We believe that the combination of these initiatives will lead our company into another good performance in 2015-16.

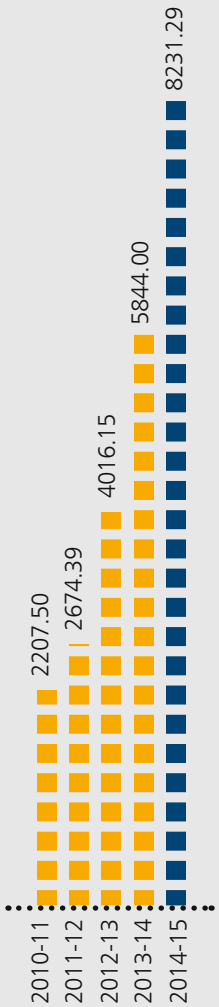
Financial highlights



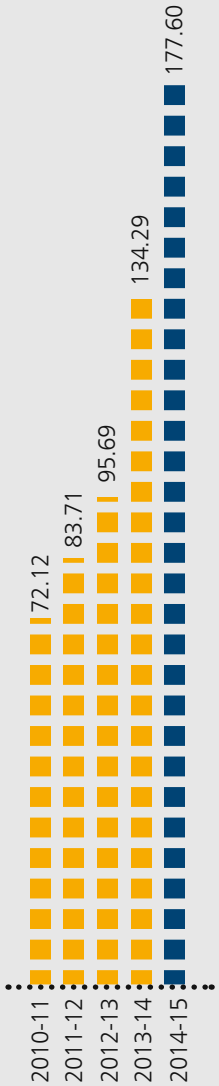
INTEREST INCOME
(₹ CRORE)
36.61% CAGR



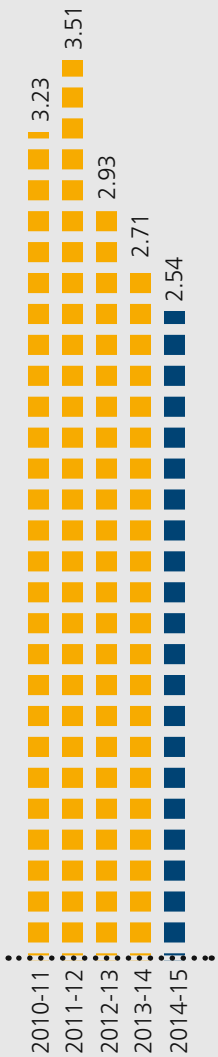
DEPOSIT BASE
(₹ CRORE)
10.35% CAGR



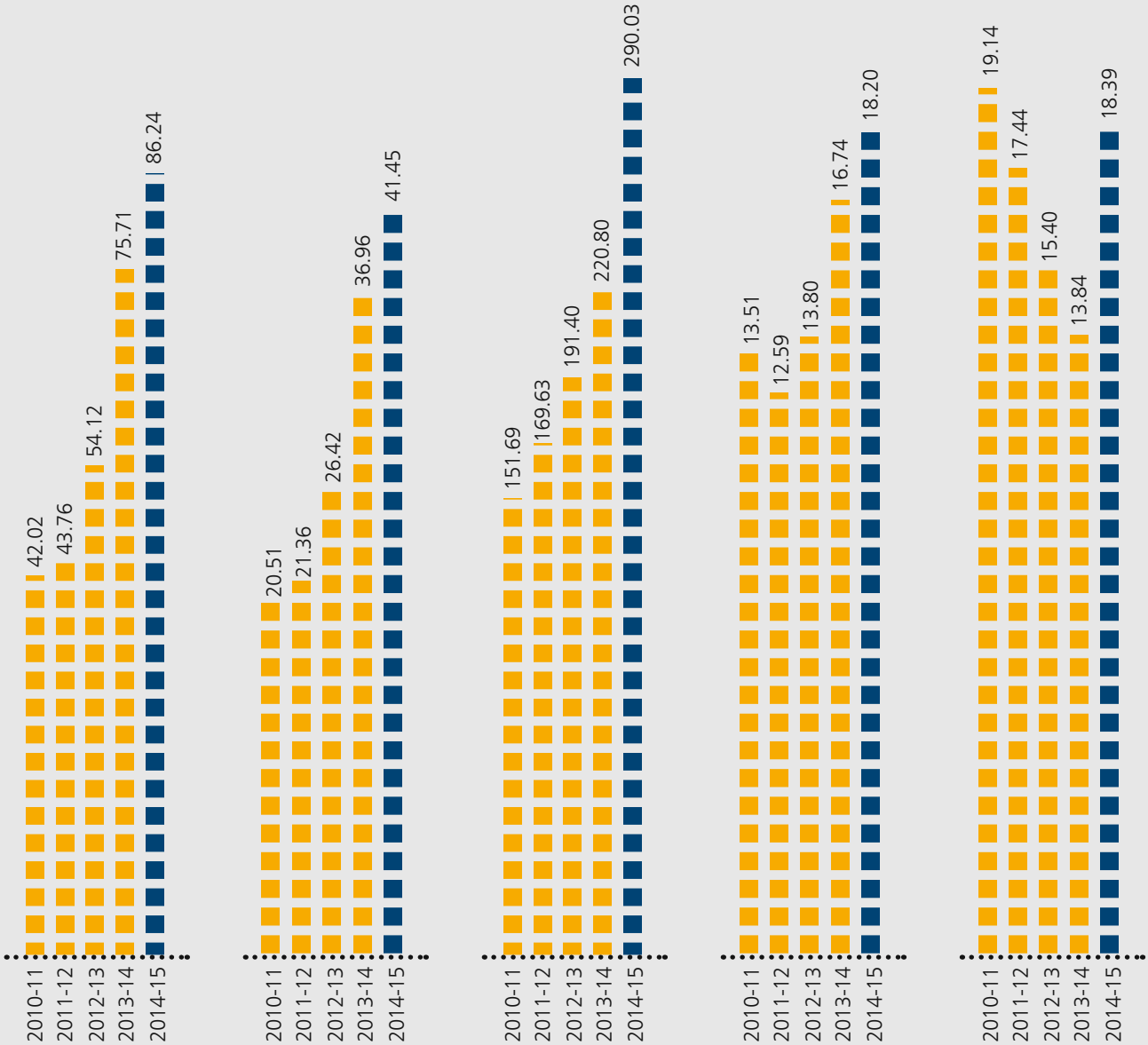
LOAN BOOK
(₹ CRORE)
38.96% CAGR



NET INTEREST INCOME
(₹ CRORE)
25.27% CAGR



NET INTEREST MARGIN
(%)



NET PROFIT
(₹ CRORE)
19.69% CAGR

EARNINGS PER SHARE
(₹)
19.23% CAGR

BOOK VALUE PER SHARE
(₹)
17.59% CAGR

ROE
(%)

CAPITAL ADEQUACY
(CAR)

2.25 lac

The number of families financed for home ownership by Can Fin Homes in 28 years

491

Dedicated and committed employee base (as on 31 March 2015) across 117 branches/ satellite offices who have helped customers own homes through quick processing and loan sanction with high levels of transparency.

0.17%

Our NPAs among the lowest in the Indian housing finance industry, a testimony of our robust credit disbursement checks and practices.

₹ 18.22 lac

Average home loan ticket size in 2014-15. The target customer segment continues to be middle-income salaried class (84% of the disbursements) out of which 41% are government/ MNC employees.

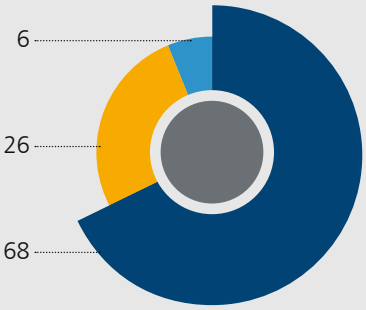
35.83%

Growth of our home loan disbursement portfolio over the past three years. Almost 78% of our loans are to the salaried class with LTV for housing loans at 63% and for Mortgage loans/ LAP at 33%.

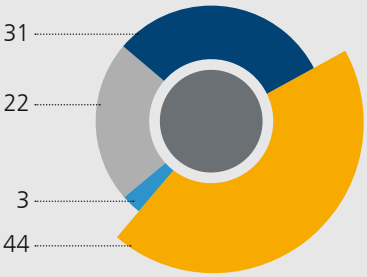
AAA ratings

AAA ratings from ICRA, CARE and India Ratings (Fitch) for deposits and other borrowings.

Reinforcing our funding basket



Funding basket, 2011-12 (%)



Funding basket, 2014-15 (%)

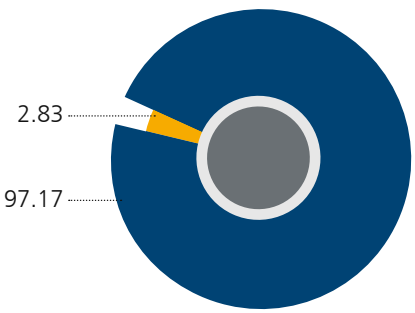
Banks
National Housing Bank
Individual depositors
Debt markets (including CP and NCDs)

Can Fin Homes diversified its funding sources from banks, debt markets, individual depositors and the National Housing Bank. As is evident in the adjoining graphics, the change in the loan mobilization strategy helped to contain the average cost of funds to 9.55% during the year.

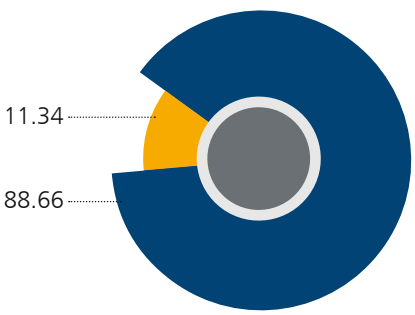
Can Fin Homes strengthened access to funding through the following initiatives:

- The number of bankers grew from 1 to 6 over a three year period (including private and PSUs banks)
- Accessed refinance line of ₹1345.90 crore from the National Housing Bank to lend to retail home loan assets in mofussil areas with ticket sizes ranging from ₹10 lacs to ₹20 lacs
- Entered the debt market, mobilizing resources through commercial papers and NCDs.
- Made a rights issue of ₹276 crore that was fully subscribed. This will sustain our capital requirements till FY17 and shore up our capital adequacy

Diversifying our product mix/basket



Lending basket, 2011-12 (%)



Lending basket, 2014-15 (%)

Housing loans
Non-housing loans

Can Fin Homes is the 6th largest housing finance enterprises (loan book size) in the country with major focus on south India. Over the years, the Company has focused on diversifying its product basket - from major dependence on home loans to salaried class to an entry into non-housing loans (including mortgage loans, loans for commercial property etc. to business class).

Some of the initiatives embraced by the company towards reinforcing its core products and diversifying into other solution include:

- Strong and favourable brand recall that led to growing customer trust, facilitating the company to venture into synergistic loan products coupled with strong post sale service.
- Steady growth of our non-housing loans business that jumped at a 99.88% CAGR over the past three years
- All three external credit rating agencies upgraded the credit rating of the Company to AAA for long-term loans and NCDs and A1+ from ICRA for short-term loans

Our competencies

Robust systems and processes

Can Fin Homes possesses conservative and strong credit appraisal techniques and technology-driven systems, processes and practices which enable it to create scalable and sustainable business operations. Some of the core initiatives embraced by the company include the following:

- Proactive investments in technology (core banking platform in 2013-14) which has augmented operational efficiencies and generation of quality MIS for effective decision making.
- Establishment of a modern platform to integrate all operations – from lead generation to account closure
- Selective area based recruitment of professionals to offer better customer service.
- The backbone of the company is its focus on customer service and it possesses one of the lowest loan disbursement turnaround times in the industry at 4-7 days (2014-15).

1

PARENTAGE

Can Fin Homes is the first housing company to be promoted by a nationalized bank in 1987 (Canara Bank, one of the country's largest nationalized bank). We carry the proud legacy of our parent in matters of business, customer service and governance, making it possible to emerge as one of the largest housing finance companies in India.

2

FOCUS ON 'FRIENDSHIP FINANCE'

We believe that a prudent combination of personal, friendly and business relations can pave the way for strong bonding and a distinctive recall in a competitive environment. Our growing customer and wide brand recall speaks for the fact that we are indeed friends of our customers, financing their dreams, hopes and aspirations.

3

STRONG SERVICE LEVELS

We believe that by imparting hassle-free prompt and quick service, we can withstand competition and strengthen customer convenience, building a favourable word-of-mouth recall. We made loan sanctions less cumbersome which has resulted in our ability to shrink turnaround times to an average of 4-7 days.

4

CUSTOMER REACH

Our extensive network of branches and satellite offices is manned by energetic, passionate and professional employees who consider it sacrosanct to create and sustain customer loyalty. Our Officers and Managers undergo training sessions to help them to imbibe our culture and maintain customer service standards.

5

TRANSPARENCY AND GOVERNANCE

We strongly believe that to sustain relationships and business one requires to maintain the highest levels of transparency in dealings and good governance practices. Since inception in 1987, our forte has been maintaining transparency in our business, practicing ethical practices in all operations, having no hidden cost in operations and putting our friendly relations with our customers at the highest priority. This has helped us to realize our aims and targets and our customers in realizing their aspirations.

Managing risk at Can Fin

Risk is the manifestation of business uncertainty, affecting corporate performance and prospects. As a proactive enterprise, CFHL has a systems-based approach to risk management. It aims at facilitating the exchange of information and expertise across disciplines, generating ideas, promoting good practices for those involved in the business of managing risks. It also intends to help the Company take business decisions that balance risks and reward and further the Company's growth.

At quarterly intervals a detailed risk profile for the Company is drawn encompassing 8 major risks - credit risk, market risk, liquidity risk, operational risk, management risk, compliance risk, capital risk and earning risk – and is first reviewed by the Risk Management Committee of the Board (consisting of 2 Directors) and then by the Board. Mitigatory suggestions are given for the identified risks.

1 CREDIT RISK

Credit risk is the potential for loss arising due to the failure of a borrower to meet the contractual obligations of repaying debt in accordance with the agreed terms, commonly known as default risk.

Risk mitigation

At Can Fin Homes, credit risk is taken care of by following a pre-defined set of credit norms and policies.

- There are defined roles and responsibilities for originators and approvers. All credit exposure limits are approved within a defined credit approval authority. A set of well-defined Credit & Recovery policies is in place.
- Credit decisions involving non housing loans are taken with utmost care. Limits for 'per borrower exposure' as well as to 'builder loans' are restricted.
- The Company has in place a well-thought out credit approval matrix. Every loan or credit provided has to pass through the approval matrix, before being disbursed to the customer.
- Our credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early proactive identification of problematic loans.
- We have strong loan review mechanism and revisit our credit/recovery policies each year and refining them in-step with regulatory and marketplace dynamics
- An empowered, independent internal audit team (internal as well as external) conducts regular review of credit files at all branches at quarterly/half yearly/yearly intervals and the Registered Office to ensure adherence to policies.
- Roles and responsibilities of the maker and checker are well defined as well.
- Each customer segment and loan type is governed by approved programs for delivery through the origination centre.
- A structured and standardized credit approval process including a comprehensive credit risk assessment process encompasses analysis of relevant quantitative and qualitative information to ascertain borrower creditworthiness.

2 OPERATIONAL RISK

Any disruptions in the organization's operations (arising from people, technology and external factors) leads to operational risk which can prove detrimental to profitability.

Risk mitigation

• The Company has a core banking technology (IBS) platform that ensures high integration and availability of information/ quality MIS on tap

• The Company has an in-house internal audit team, spread across the country, as well as external audit firms performing audit at quarterly/ half yearly/ annual intervals and helping strengthen controls.

• All the branches are assessed/ risk rated on the basis of a risk potentials vis-a-vis the relevant effective control mechanism at the branch level. Frequency & Coverage of audit is determined upon such rating.

• The management of operational risks is carried out through a comprehensive system of internal controls, documented delegation of authority, separation of duties between key functions and detailed standard operating procedures, Reviews/ visits by Overseeing Executives.

• A separate team for business continuity plan is also developed branch- and organisation-wise to ensure effectiveness of the contingency plan and aid recovery from disaster and maintain business continuity.

Vigilance report/fraud report/inputs from recovery report/ inputs from audit reports are studied regularly to scrutinise and detect failures/early warning signals.

3 LIQUIDITY RISK

Inability to meet the financial obligation in a timely manner may effect business sustainability. A company is deemed to be financially sound if it is in a position to carry on its business smoothly and meet all obligations for both long-term as well as short-term without any stress.

Risk mitigation

• The Company possesses a diversified borrowing basket among different lenders like banks, financial institutions, National Housing Bank, among others to reduce the dependence on a single fund-provider.

• The Company periodically monitors the structural liquidity mismatches between the assets and the liabilities on a projected cash flow basis and reviews the open credit lines available with the banks.

• The Company maintains sufficient approved but un-drawn credit lines on a continuous basis to prevent disruption of business on account of liquidity constraints.

• CFHL has been now following the technique of spreading the borrowings among different lenders like banks, NHB and money markets so as to reduce the lenders concentration risk.

• The Company enjoys a credit rating of AAA over the last 1 year from 3 rating agencies, making it a preferred borrower among leading banks and financial institutions of repute.

• Deposit and NCD/CP funding constitutes 23% of the portfolio, demonstrating a lower dependence on banks and financial institution and this component is likely to increase in future.

4 INTEREST RATE RISK

A mismatch between interest rates of asset and liabilities can adversely impact the net interest income.

Risk mitigation

- The AAA rating from ICRA, INDIA RATINGS (FITCH) AND CARE for debentures and A1+ rating from ICRA for commercial papers helped the company mobilise funds at reduced rates.
- The Company is able to raise funds at a competitive rate by leveraging its brand;
- The Company, as a strategy, optimises its borrowings between short-term and long-term debt as well as floating and fixed rate instruments and have sound Asset liability managements. The Asset Liability Management is reviewed by the Audit Committee and Board at quarterly intervals through structural ALM statements.
- The Company reduced the burden of interest rate hikes by having assets on floating rate basis. Only loans under GRHS/ LUH are granted on fixed rate for 5 years but are matched with corresponding 7 year fixed liabilities.

CSR

(CORPORATE SOCIAL RESPONSIBILITY)

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 the ethos of our Sponsor, Canara Bank.

A total amount of ₹1.62 crore was earmarked for investment in CSR activities during 2014-15. We have spent ₹0.03 crore and the rest of the amount is carried forward for onwards spending on CSR activities.

The Company's CSR activities primarily give thrust to providing necessary infrastructure and creating conducive atmosphere for education. During the year, the Company has provided infrastructural amenities to Government/Government aided schools.

CSR activities at Madurai (Tamil Nadu) and K R Puram (Bengaluru)

Board profile

SHRI K.N. PRITHVIRAJ, *Chairman*

Shri K.N. Prithviraj was appointed as a director on the Board of Directors on June 04, 2014 and he is Chairman of the Board of Directors.

Shri Prithviraj is a rank holder in M.A. in Economics and CAIIB. He was also a fellow of Research in the Department of Economics, University of Madras. He has over 38 years of experience in the banking industry. He was the Chairman & Managing Director of Oriental Bank of Commerce, Executive Director of United Bank of India and General Manager of Punjab National Bank. He was a Government Nominee Director for Oriental Insurance Company for two years.

Presently Shri Prithviraj is the Administrator, Specified Undertakings of Unit Trust of India (SUUTI), a government body, a and Director on the Board of Axis Bank Limited Ltd. (representing SUUTI), Surana Industries Ltd., PNB Investment Services Ltd., National Financial Holdings Ltd., Specified Undertakings of UTI (a Government Body), ILFS Infra Asset Management Pvt. Ltd., Brick Work Ratings India Pvt Ltd., and Dwarikesh Sugar Industries Ltd. Shri Prithviraj is an Independent Director and non-Executive Chairman of the company.

SHRI C. ILANGO, *Managing Director*

Shri C. Ilango is the Managing Director with effect from April 29, 2011.

Shri Ilango is a Post-Graduate Degree holder in Agricultural Science viz., M.Sc., (Agri) and a CAIIB.

Shri Ilango started his career as an Officer in Canara Bank in the year 1980. During his service in the Bank he has headed different branches.

Shri Ilango is a senior banker with over 34 years of commercial banking experience having served across the Country. Prior to his posting to the Company he was holding the position of Deputy General Manager in the Audit Department of Canara Bank, Head Office, Bengaluru. He is in the cadre of General Manager of Canara Bank.

SHRI P.B. SANTHANAKRISHNAN, *FCA*

Shri P.B. Santhanakrishnan was appointed as a director of the Company with effect from February 16, 2012.

Shri Santhanakrishnan is a degree holder in Science and a Fellow of the Institute of Chartered Accountants of India (ICAI).

He is a senior partner of M/s P.B. Vijayaraghavan & Co., Chartered Accountants, Chennai, which is also the Central Statutory Auditors of the Life Insurance Corporation of India. He has a wide experience in auditing of corporate and non-corporate entities, including PSUs and public sector banks. He is also engaged in consultation on tax matters and representation before SEBI/SAT/CBDT & ITAT on Corporate and Income Tax matters.

Shri Santhanakrishnan is a former member of the RBI Committee on RTGS. He has held various positions in other organisations and has an experience of about 35 years in the profession. Presently, he is a director on the Board of Tamilnadu Minerals Ltd (A Government of Tamilnadu undertaking) and a member of Audit Committee and Shareholders/Investors' Grievance Committees. He was a Director in Oriental Bank of Commerce till September 2014.

SHRI S. A. KADUR

Shri S.A. Kadur was appointed as a director of the Company with effect from June 07, 2013.

Shri Kadur is a B.E. (Mechanical) engineering graduate.

Shri Kadur started his career as a Technical Field Officer in Canara Bank in February, 1984. During his service in the Bank over a period of 31 years, he has served in different branches of the Bank, including Prime Corporate branch at Pune and Chennai, Circle Office, Mumbai, Corporate Merchant Banking Division, Mumbai and Risk Management Wing at the Head Office. He is presently working as the General Manager, Corporate Credit Wing, Head Office, Bangalore and he is also in charge of Restructured Asset Division, Head Office, Bengaluru.

SHRI T.V. RAO

Shri T.V. Rao was appointed as a director of the Company with effect from February 01, 2014.

Shri Rao is a Graduate in Commerce from S.V. University, Tirupati (A.P.) and CAIIB (Indian Institute of Bankers, Mumbai). Shri T.V. Rao started his career in Union Bank of India (February 1975 till July 1991). He Joined the National Housing Bank (NHB) as the Deputy Manager in July, 1991 and was its Asst. General Manager till November, 2007. He was the General Manager (Corporate Finance, Investments and Treasury) of the Small Industries Development Bank of India (SIDBI) from November 2007 to December 2007.

Shri Rao has over 35 years of experience in Banking, Foreign Trade and Housing Finance Sectors with specialisation in Management of Treasury, Investment and Corporate Finance Operations, Securitisation and Structured Finance, product development (Reverse Mortgage etc.), Training, Research, Capacity Building and Regulation and Supervision of Housing Finance Institutions. He was involved in mobilisation of resources and investment operations. He was also heading the Capacity Building, Business Promotion and Development of Trade Promotion initiative of EXIM Bank.

Presently, Shri Rao, is a Director on the Boards of Electronica Finance Limited, Pune, LIC Housing Finance Ltd., Mumbai, BgSE Financials Ltd., Bangalore (Public Representative Director), Kisan Mouldings Ltd., NATCO Pharma Limited and Suvision Holding Pvt Ltd. and STCI Financials Ltd.

SMT. P.V. BHARATHI

The Board of Directors of the Company, appointed Smt. P.V. Bharathi as an Additional Director of the Company with effect from September 22, 2014 pursuant to Section 160 and all other provisions of Companies Act 2013 and Clause 49 of the Listing agreement for appointment of a woman director on the Board. Smt. Bharathi holds office only up to the date of the ensuing Annual General Meeting.

Smt. Bharathi is a Post Graduate in Arts (M.A. and B.Ed.). She is a Certified Associated of Indian Institute of Bankers (CAIIB). Smt. Bharathi has joined the Bank on 6th Dec 1982 and is having more than 31 years of experience in the banking industry. She has served in different branches in the NCR Region, Tamil Nadu State. Presently, Smt. Bharathi is the General Manager, Canara Bank, Head Office, Bengaluru.

Smt. Bharathi is also a Director on the Boards of Canbank Venture Capital Ltd, Canara HSBC OBC Life Insurance Co. Ltd. and Cordex India Pvt Ltd as a nominee Director of Canara Bank.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overview of the Indian Economy

During the fiscal 2014-15, the Indian economy witnessed the onset of a New Age with GDP growth at 5.4 to 5.9%. Aided by a supportive external environment, in particular the sharp decline in oil and commodity prices, the Indian economy has advanced towards higher growth and enhanced stability. Growth has accelerated, inflation has declined, the current account deficit has narrowed, and external reserves have increased. India continues to be the hottest investment destination for foreign institutional investors. Riding on the expectation that the country's economy will outpace China in growth this year, they have pumped USD 6.34 billion into equities so far, the highest among emerging markets. Both IMF and the World Bank see India's growth rising to 7.50% during 2015-16. Though real-time corporate earnings are weak, foreign investors believe that there will be a sharp rebound in earnings as the impact of reforms and lower interest rates will boost the economy.

The government has made substantial progress in several policy areas and long-term prospects for growth appear bright. The current situation offers an opportunity to further strengthen the business-friendly environment to domestic and foreign corporates and, in turn, enhance the quality of public spending. A sustained strong momentum in these reforms will further unleash the productivity that Indian firms need to create jobs and become globally competitive. The government has worked several levers – increasing growth, reducing the fiscal deficit, containing inflation, creating a conducive investment climate for both domestic and foreign investors and working towards improving hard and soft infrastructure. It has to fulfil the aspirations of its people – particularly the young who seek better jobs and higher standards of living. Foremost among the aspirations of our people is that of being a home owner.

The Government's focus on affordable housing and favourable regulations could push overall housing credit growth to 20-22% FY2016 onwards, which could lead to improved mortgage penetration from the current 8.2%. Investor sentiment for the housing sector has also improved, reflected in the capital infusion of around ₹17800 crore in various HFCs since 2014-15, with more capital infusion expected in the following quarters.

2. Housing industry outlook

Overall home loan market has grown over 18% during 2014-15 with outstanding loans at Rs.10.58 lac Crore (Banks & Co-operatives: Rs 6.64 lac Crore and HFCs: Rs 3.94 lac Crore) mark in March 2015 (previous year Rs 8.95 lac cr). This figure is expected to double in the next 5 years. The commercial and co-operative banks continue to dominate the market and HFCs play second fiddle. While share of commercial/ co-operative banks is 62.76% the same is 37.24% for HFCs/ NBFCs. While HFCs recorded YoY growth of 21% for 2014-15, Banks/Co-Operative Banks grew at 17%. Gross NPA for all HFCs stood at 0.71% as at March 2015 (previous year 0.74%), while the same was 4.40% for Banks (source: ICRA). The top-5 players account for 60% of the market.

Housing prices are escalating on account of rising cost of land and other inputs, lack of organised market and a paradoxical situation where the chronic shortage of houses exists alongside unsold stock. The economic buoyancy, urbanisation, growing employment and household income, reduced inflationary pressure on prices, reduction in interest rate and liberal monetary policy are a few factors influencing the demand for residential

accommodation and growth in the retail real estate sector. With interest rates declining, the home loan sector facing declining asset quality, HFCs will face pressure on margins. Asset quality has remained stable in the past for the home loan financing with gross NPA sat 0.74% of gross credit as at December 2014. As per the reports of some of the rating agencies, the GNPA of HFCs will remain range bound between 0.70% and 1.10%.

The demand for housing is also on the rise on account of the thrust on infrastructure development and development of 100 smart cities. As such, a moderate increase in the demand for residential units and commercial real estate can be expected during 2015-16.

Though the overall prices of residential properties in the country continued to demonstrate an upward movement, there was sluggish/downward trend in some parts of the country. Unsold inventory has increased significantly and launching of new projects has come down to a noticeable extent in the past 3-4 months. Sales have slowed in major metros/cities like Mumbai, Delhi, Bangalore, Pune and Chennai. The affordable housing segment was expected to see a robust demand but did not, owing to poor infrastructure in urban peripherals and high land cost in urban areas.

In this scenario, the country's real estate sector undoubtedly needs progressive reforms to boost confidence amongst home buyers as well as investors. Major reforms in the form of the Real Estate Regulatory Bill and the Land Acquisition, Resettlement & Rehabilitation Bills, initiated in the Parliament in the middle of the financial year gone by, are yet to create an impact.

As on date, shortage of houses in India stands around 19 million units and a major portion of this housing shortage is in the economically weaker sections and low income group categories. This demand is continuing to increase, clearly indicating that there is a vast scope for development of affordable housing in the Country.

The major concern, however, is the broadening gap between demand and supply of affordable housing units and lack of adequate/appropriate financial solutions to help minimise this gap. Even though the government has come out with attractive loan/housing schemes for accommodating the poor/economically weaker section/LIG segments, there is still a lot more to be done to fill the gap.

The housing loan/mortgage market in India continues to be among the least developed when compared to some other emerging Asian economies like Malaysia, Thailand and China. In India, outstanding housing finance is less than 8% of GDP whereas it is 12% in China, 29% in Malaysia, 46% in Spain and around 80% in the US. In developed economies like Switzerland, the Netherlands and Denmark, this percentage is still higher. Deeper penetration of banks and financial institutions into more urban and rural areas and introduction of innovative affordable housing loan products would help develop the loan/mortgage market in the country further.

Considering the importance of the housing sector as a major player towards generation of employment and income and its contribution towards the GDP, policy-based efforts are being initiated to encourage and make the sector more transparent. With the ever-increasing demand for housing in urban as well as rural areas, almost all banks and financial institutions have been responding dynamically to grab a bigger share of the market.

The housing finance sector shows signs of having a bright future in the years to come due to reasons like increase in the employment and income, availability of more disposable income in the hands of the individual and improved living standards, increase in population, urbanisation, fiscal incentives provided by the government, younger generation's wish for acquiring homes very early in life, the emergence and continuation of nuclear family set up, easy availability of finance/loans at lower rate of interest, easing inflation and liberal monetary policy for acquiring houses, increase in rental income for residential units, etc.

3. Lending Operations

Declining interest rate regime, easing inflationary pressure and increasing real value of money have sustained the demand for housing loans across the Country during the year under review. Easy money market and liberal monetary policy, reduction in repo rates and comfortable liquidity conditions during the year, have contributed to reducing borrowing/funding cost for HFCs. There was decrease in the base rate in some banks only. Very few Banks and HFCs have reduced their lending rates for housing. The Company has reduced the rate of interest on Housing loan products by 0.20% w.e.f. 01/10/14 to maintain the competitive edge. After studying peer HFC practices, the Company has rationalised the pricing of the loans for Salaried & Professional (S&P) and Self Employed & Non Professional (SE&NP) segments by introducing separate risk rating matrix w.e.f.01/10/14 and adopted differential pricing mechanism.

Despite the slowdown in real estate sector in some parts of the country, stiff competition from HFCs and banks, the business performance of CFHL continues to be robust during 2014-15. During the year, the housing loans and other loans sanctioned (loan approvals) were to the extent of ₹3670 crore (previous year ₹2907 crore) registering a YoY growth of 26%. The cumulative loan sanctions since inception of our Company, as at the end

of the financial year 2014-15 was ₹16493 crore. During the year, the loans disbursed were to the extent of ₹3346 crore (previous year ₹2548 crore) registering a YoY growth of 31%. The cumulative loan disbursements from inception to the end of the financial year 2014-15 stood at ₹14369 crore.

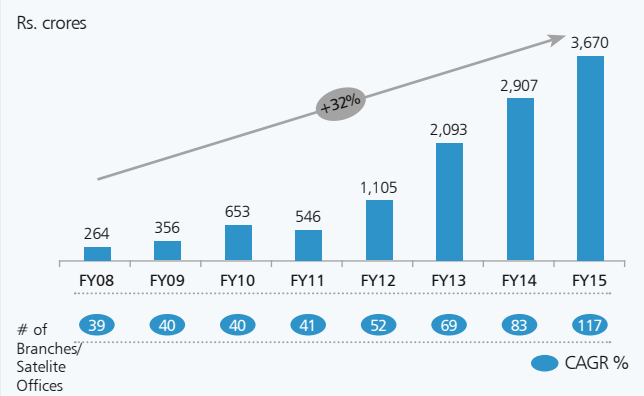
Our customer profile continues to be oriented towards the salaried and professional class. While the salaried class accounted for 84% (previous year 86%) of disbursals this year, 22% was lent to self-employed and non-professionals category. Amongst the salaried class customers, MNC (23.22%) and Central/State Governmentt (18%) accounted for a major portion of loans. In all, loan book size to salaried class stood at ₹6,080 crore @ 84%.

During the year, we sanctioned 37.89% of housing loans to customers with incomes upto ₹5 lac per annum, while the same is 32.88% for ₹5-10 lac p.a., indicating our continued commitment to middle income customers.

Year on year sanctions/ disbursements made by your Company is furnished in the following exhibits.

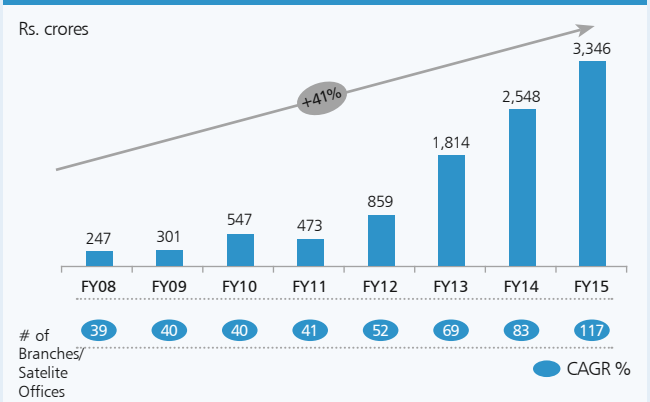
Sanctions – Year to year

Sanctions growth – FY08 to FY15 EXHIBIT 1



Disbursements – Year to year

Disburshments growth – FY08 to FY15 EXHIBIT 2

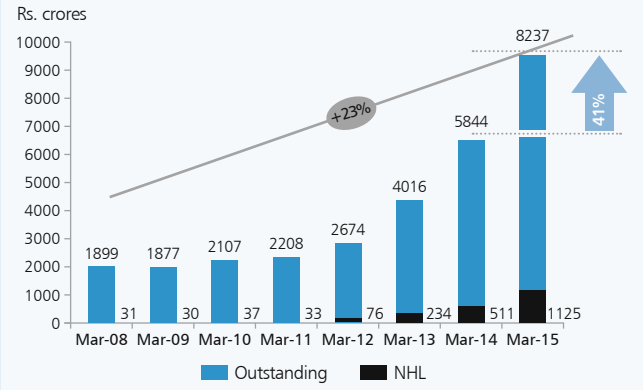


4. Loan portfolio

CFHL offers 16 loan products by way of housing and non-housing loans, viz. loans for home purchase, home construction, home extension/repairs/renovation/upgradation, site purchase, composite loans, balance transfer, loans for rural housing, builder loans, LOC, etc. and non-housing loans like mortgage loans, personal loans, loans on commercial property, loans on rent receivables, children's education loans, etc.

During the year under review the loan book of CFHL increased to ₹8231 crore (₹5844 crore in the previous year) registering YoY growth of 41% as against HFC industry average of 21%. While the individual housing loan segment has registered YoY growth of 37% (from ₹5331 crore to ₹7298 crore). Non-housing loan segment has registered a YoY growth of 82% (From ₹513 crore to ₹934 crore). The total loan book, the share of individual housing loans is 86% and that of non-housing loans is 14%. Southern region comprising of Tamil Nadu, Kerala, Karnataka and Andhra Pradesh/Telangana constitute 72% of sanctions. Year to year growth in loan book for last 8 years is given in chart 3.

Loan Book Growth - FY08 to FY15 EXHIBIT 3



We continue to concentrate on retail lending with an average loan ticket size of HL of ₹18.22 lac (previous year ₹18.50 lac) and mortgage loan is 12.59 lac sanctioned during this year. Almost all loans (housing and non-housing) are to retail customers. Out of ₹8231 crore, there are only 89 big ticket loans (i.e. with liability>₹1 crore) amounting to ₹109.47 crore (1.32% of total loans outstanding) with the highest outstanding of ₹4.70 crore in a LCP account in Mangalore branch. Builder loans and mortgage loans (loans against property) constitute only 0.32% and 5.20% of total outstanding respectively. The average LTV for the loans sanctioned during the year was 62% for housing loans and 33% for Mortgage loans. We continue to be cautious on Builder loan segment.

The process of loan approvals in the Company is highly

decentralised with power to sanction/ disburse the loans delegated to the branches. 85% of loans were sanctioned at the branch level and the remaining 15% were sanctioned at the RO. The power to sanction/approve loans is well-defined in the credit policy for various cadres for different products. Approval of proposals which fall beyond certain limits or due to reasons which require the attention at a higher level are referred to and sanctioned by AGM/DGM/MD/Management Committee/ Board. During the year, 61 loans >₹1 crore were sanctioned at Registered Office, aggregating to ₹96.58 crore (2.63% of total sanctions) with the highest loan amount being ₹5.80 crore.

5. Marketing and distribution

CFHL continues to have a strong marketing and distribution network with a pan-India presence. The Company has adopted a new strategy of opening Satellite Offices to get more business to the branches from potential areas and cater to customers better with reduced operational costs. During the financial year, 24 new branches and 10 Satellite Offices were opened in various locations of the country. The total number of branches (107) and Satellite Offices (10) at the end of the financial year under review stood at 117. The Company has plans to increase the number of branches, including Satellite Offices, to 140 by 31st March 2016. The above network will provide easy and better access to the market. The Company has also recruited 6 Marketing Officers for direct marketing of loan products in potential centres. As a step towards garnering more business to facilitate deeper penetration into the market, the services of Direct Selling Agents (DSA) are also being utilised for marketing loans and sourcing retail proposals with an outgo in payment of nominal commission. The Direct Selling Agents are permitted only to source the proposals/provide leads while CFHL continues to exercise control over the credit, legal and technical aspects. There are 595 active DSAs engaged by our Company and the business sourced through them constitutes 57% of sanctions for the financial year 2014-15 (previous year 49%). The Company has also conducted DSA workshops in potential centres, to educate and imbibe the code of conduct and the ethical principles followed by the Company. The branch business contributions by DSA are high in 3 major cities viz. Bangalore, Hyderabad and NCR-Delhi. We propose to increase the share of direct loans in the years to come.

Branch network – 107 branches and 25 satellite offices across 19 states / Union Territories as 02/06/15 EXHIBIT 4

Punjab & Haryana – Chandigarh, Rohtak

Rajasthan – Jaipur, Kota, Udaipur, Jodhpur

Gujarat – Ahmedabad, Vadodara

Madhya Pradesh and Chhattisgarh – Bhopal, Gwalior, Raipur, Indore

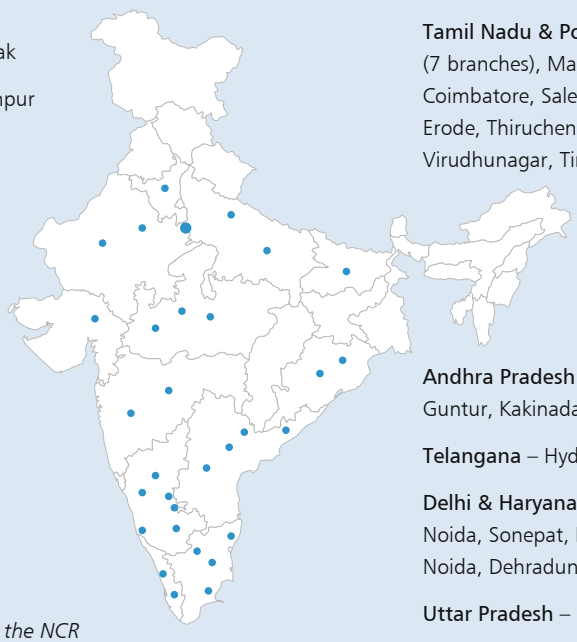
Maharashtra – Navi Mumbai, Mumbai, Nagpur, Panvel, Pune, Nashik

Karnataka – Bengaluru (19 branches), Devanagere, Hubli, Mysore, Mangalore, Mandya, Belgaum, Shimoga, Tumkur, Udupi

Kerala – Calicut, Kochi, Thiruvananthapuram, Thrissur

Odisha – Bhubaneswar

Noida comes within UP, but included in the NCR



Tamil Nadu & Pondicherry – Hosur, Chennai (7 branches), Madurai, Nmakkal, Trichy, Coimbatore, Salem, Sriperumbudur, Thiruvallur, Erode, Thiruchengode, Vellore, Dindigul, Karur, Virudhunagar, Tirunelveli, CBE-PN Palyam

Bihar – Patna

Goa

Andhra Pradesh – Nellore, Ongole, Tirupathi, Guntur, Kakinada, Vizag, Vizag Steel Plant, Vijaywada

Telangana – Hyderabad, Warangal, Karimnagar

Delhi & Haryana – New Delhi (2 branches), Gurgaon, Noida, Sonepat, Faridabad, Dharuhera, Greater Noida, Dehradun

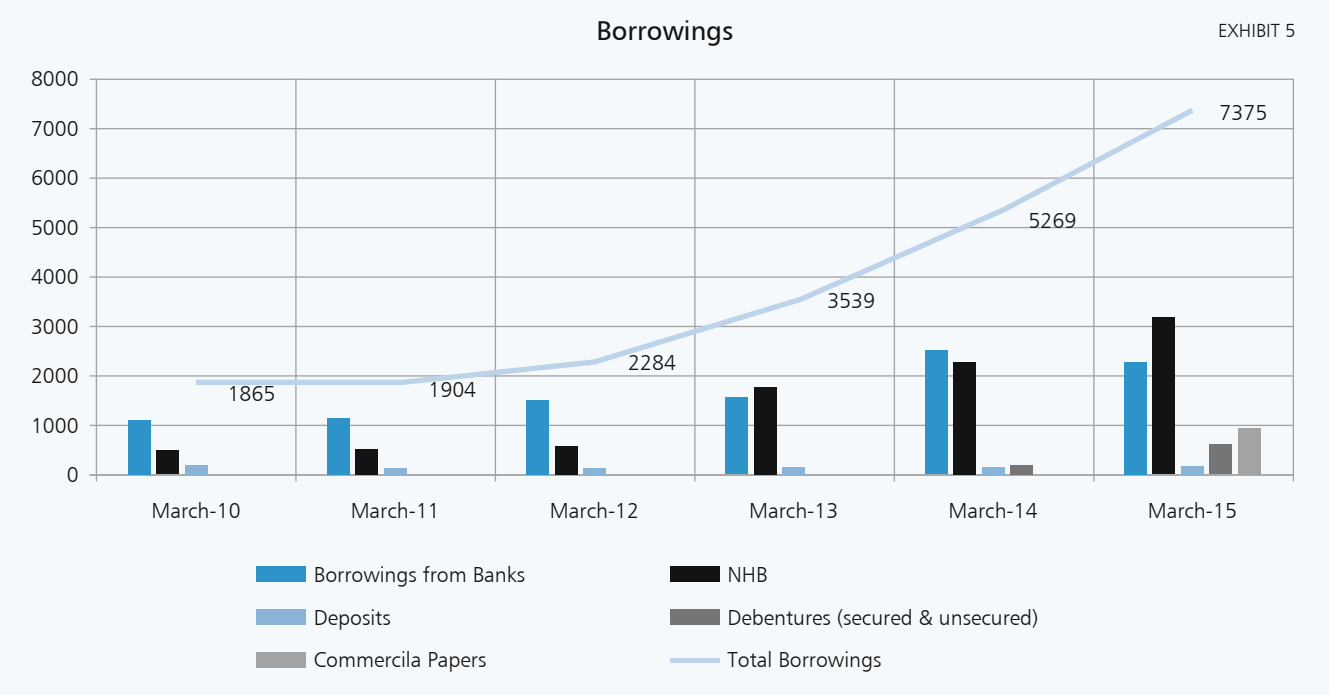
Uttar Pradesh – Lucknow, Meerut, Agra, Varanasi

*Locations of Satellite Offices

We have 7 satellite offices in Bangalore, 7 in Tamilnadu, 3 in Chennai, 2 in Kerala, 1 in Hyderabad, 1 in Vijayawada, 1 in Delhi, 1 in Raipur, 1 in Bhopal, 1 in Jaipur

6. Funding Sources.

The major sources for funding of operations are borrowings from banks, NHB, deposits from the public, NCDs, commercial papers, etc. besides capital. During the year, the Company has mobilised additional capital of ₹273 crore through Rights Issue. The borrowings as at 31st March 2015 amounted to ₹7375 crore (₹5269 crore in the previous year) - an increase of 40% which commensurates with increase in loan book size. The sources of funding are depicted in exhibit 5 & 6.



Funding mix – FY08 TO FY15 - Year to Year

EXHIBIT 6

Particulars	Mar -08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Refinance from NHB	35%	36%	28%	29%	26%	51%	48%	44%
Bank Loans	56%	54%	61%	63%	68%	44%	44%	31%
Deposits from public	9%	10%	11%	8%	6%	5%	3%	3%
Debentures	0%	0%	0%	0%	0%	0%	5%	9%
Commercial paper	0%	0%	0%	0%	0%	0%	0%	13%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Total Borrowings (Cr.)	**1695**	**1650**	**1865**	**1904**	**2300**	**3538**	**5269**	**7375**

i. Refinance from NHB

The Company has availed fresh refinance from NHB to the extent of ₹1346 crore during the year and the outstanding refinance from NHB stood at ₹3220 crore as on 31st March, 2015 (Previous year ₹2324 crore). Company availed significant amount of refinance under Rural Housing Fund at ROI ranging from 6.87% to 7.35% outstanding is ₹796.67 Crore as on 31st March 2015 where ROI charged to end users stood at 8.85% to 9.80%.

ii. Banks

The Company is progressively reducing its dependence on bank borrowings. Though we avail loan at base rates only, the same is still at higher rates compared to CP/NCD. The borrowings from the banks stood at 31% (2014-15) compared to 44% last year. During the year, the borrowings have been diversified to derive the maximum benefit of competitive interest rates and a combination of short-term and long-term loans considering the maturity profile of sources and uses. The lenders include Bank

of Baroda, HDFC Bank, Kotak Mahindra Bank, Deutsche Bank, Federal Bank apart from Canara Bank, the Principal Banker to the Company. The aggregate of term loans including the overdraft at the end of the financial year stood at ₹2307.12 crore (previous year ₹2525.79 crore).

iii. Commercial papers

The Company has started mobilizing funds under CP for the first time since second quarter of 2014 onwards. Company raised funds amounting to ₹2750 crore and repaid an amount of ₹1775 crore. The outstanding at the end of the year stood at ₹975 crore. The CP is rated with the highest rating [ICRA] A1+ by ICRA Ltd., indicating, "Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations." Company proposes to increase the share of CPs in borrowing mix during the year to reduce cost of funds further and secure credit rating from one more agency this year.

iv. Secured Non-Convertible Debentures

During the financial year, CFHL has successfully issued Secured Redeemable Non-Convertible, Debentures (SRNCD's) amounting to ₹300 crore at an annual coupon rate ranging from 8.78% to 8.80%. The rating awarded for this issue by rating agencies like CARE and India Ratings (FITCH) is AAA. The aggregate NCDs as at 31/03/15 stood at ₹550 crore. The rating awarded by different rating agencies for different products is furnished in exhibit 7.

Ratings as on 31/03/2015

EXHIBIT 7

Sr. No.	Nature of borrowings	Rating Agency		
		ICRA Ltd.	FITCH	CARE
1.	Not Applicable	MAAA	-	-
2.	Terms Loans (Long)	[ICRA] AAA	-	-
3.	Terms Loans (Short)	[ICRA] A1	-	-
4.	Secured NCDs (SRNCD)	[ICRA] AAA	IND AAA	CARE AAA
5.	Unsecured NCDs (Tier II Subordinated Bonus)	[ICRA] AAA	IND AAA	CARE AAA
6.	Commercial Paper	[ICRA] A1+	-	-

v. Deposits

The deposits outstanding (inclusive of interest accrued, but not due) as of 31st March, 2015 were ₹222 crore as against ₹169 crore as at the end of the previous year, registering a growth of 32%. The deposit schemes of the Company continue to enjoy MAAA rating awarded by the credit rating agency viz. ICRA Ltd., indicating high credit-quality and that the rated deposit programme carries low credit risk. The outlook on the rating has also been re-affirmed as "Positive Outlook".

7. Risk management

High yielding Non-Housing Loan portfolio, significant increase in operating costs, stiff competition from banks on account of low interest rate (whose funding cost is low) and take-over (balance transfer) from other HFCs/banks continue to pose major challenges for the Company in retaining loan book size and increasing profitability. In order to meet these challenges, the management has initiated several measures – fine-tuning the borrowers' risk rating, rating the borrowers based on risk profile, rationalising processing charges/out of pocket expenses, reducing commission payable to DSA, etc. w.e.f. 01/10/14.

The volatile financial market conditions, particularly the fluctuations in interest rates, makes housing finance institutions more vulnerable to certain type of risks such as credit risk, liquidity risk, and interest rate risk. The liquidity risk and the interest rate risk arising out of maturity mismatches are monitored and managed at frequent and continuous reviews at RMCB, ACB and Board level. The Company has put in place a well-drawn out risk management policy in order to effectively mitigate these risks and initiate appropriate risk mitigating measures when appropriate. The above policy is reviewed by the Board every year for making amendments and modification, if required.

a. Interest Rate Risk: Interest rate risk arises out of a disparity in the interest rate profile of assets and liabilities, affecting the interest and profitability of the Company adversely. Housing finance institutions borrow funds at floating rates for a longer period and the rate of interest on these borrowings is linked to the base rates of the banks. These rates tend to vary during the loan period. In view of this, the present practice of lending on floating interest rate basis exposes the housing finance

companies to certain amount of interest rate risk and needs to be managed effectively.

CFHL extends home loans at both floating and fixed rates in the case of certain products. The risk is reviewed by the risk Management Committee/Asset Liability Management Committee from time to time and remedial measures, if essential, are taken based on the suggestion of the Committee. The Audit Committee and the Board of directors review the status of risk management in the Company at their respective meetings and issue suitable directions/guidance as deemed necessary.

b. Credit Risk: The Company has put in place effective credit risk assessment, evaluation and a monitoring and mitigation system to guard against credit risk. The Company has a well-documented credit appraisal, sanction and monitoring system, reviewed at frequent intervals to maintain asset quality. Credit risk is managed using a set of laid down credit norms, procedures, policies and guidelines. Proper risk rating of the customer is done not only at the entry level but also annually. The Company is also reviewing the systems and procedures based on peer group practices. The Company has also put in place a system of evaluating the portfolio risk under different exposures and continuously monitoring the exposures fixed by the Board. Roles and responsibilities of the maker and checker are well-defined. An efficient team of well-qualified and experienced professionals oversees the credit portfolio. A system to review the sanctions made at different Tiers is put in place.

CFHL also utilises the services of credit agencies like Credit Information Bureau (India) Ltd. (CIBIL) to evaluate the financial discipline of the customer, and The Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) to safeguard the Company from getting involved in multiple finance. The Company has also put in place Individual Account Monitoring System (IAMS), Offsite Monitoring Transaction System (OTMS) for continuous review of loan assets. By leveraging IT, MIS is generated at frequent intervals for identifying and monitoring the Special Mention Accounts (SMA). The Company has analysed the trend in SMAs with regard to seasoning of assets – period-wise and product-wise in order to initiate corrective steps for maintaining and further improving the asset quality. The Company maintains the LTV ratio of 63% for housing loans and 33% for mortgage loans/ other loans as against the prescribed LTV ratio of 80% for housing loans. With persistent follow-up, the GNPA has come down from 0.21% to 0.17% of loan outstanding. The percentage of non-performing assets in the Company is one of the lowest in the industry.

c. Liquidity Risk: The Company is meeting its financial obligations at the appropriate time. Liquidity risk is managed by matching the maturity profile of assets and liabilities. Managing liquidity risk is indispensable for the Company to maintain the stakeholders' confidence. Housing finance institutions are more exposed to liquidity risk because its liabilities are contracted for a period of about 10 years or so, whereas the assets generated are of an average span of fifteen to twenty years. The liquidity risk which arises due to such maturity mismatch of assets and liabilities is managed by constant monitoring of the maturity profiles of various assets and liabilities and through a system of periodical review. During the year, the Company mobilised long-term capital of ₹273 crore to fund its long tenure operations and to maintain the Regulatory CAR of 12%. With a view to minimising this risk, CFHL has broad-based the borrowings amongst different lenders like banks, NHB, etc. so as to reduce the concentration risk. It also monitors the structural liquidity mismatches between assets and liabilities on a projected cash flow basis and periodically reviews the term loans sanctioned by the banks. To gain the benefit of low interest rates in the money market, the Company has also sourced the short-term funds through CPs, NCDs and has churned the liability to reduce the financial cost. As a matter of policy, the Company maintains adequate liquidity and is in a convenient position to meet the repayment obligations at the appropriate time.

d. Operational Risk: The operational risk is associated with the Company's business operations - risk of perpetration of fraud, legal, financial or environmental issues or other weaknesses in the systems leading to financial or reputational loss. To mitigate these risks, the Company has developed standard operating procedures, reviews and internal controls/procedures to be followed by employees, comparable with the best practices in the industry. The Company is in an expansion mode and a number of branches are being opened, manned by newly recruited staff who have to be acquainted with the systems, procedures and practices of the Company. Appropriate training is being given to them. The systems/procedures are constantly reviewed to improve the operational efficiency and to ensure prevention of frauds and other malpractices. The performances of branches are continuously monitored through executive visits at frequent intervals. As a preventive vigilance mechanism, the Offsite Transaction Monitoring System (OTMS) and Vigilance setup was introduced to detect early warning signals on a near-to real-time basis and to take immediate remedial steps. The whistleblowing mechanism has been effectively put in place. The Company has documented every part of its functioning in the form of operating manual of instructions to be followed by the branches/employees/TPEs and other outsourcing agencies in their day-to-day operations.

8. Asset Liability Management

The liability risk and interest rate risks are effectively managed on a continuous basis. The cash flows are drawn across different time horizons, forecasting the flow of funds. Adequate credit lines are arranged to meet different maturity profiles based on the cash flow statement and the Company has never faced any constraints in meeting the financial obligations. CFHL continues to enjoy sufficient lines of credit (with adequate buffers) from various banks and financial institutions on a continuous basis to ensure that there is no interruption of business.. The ALM Committee at the registered office reviews the liquidity position at regular intervals and appropriate measures are suggested and implemented.

The Risk Management Committee, Audit Committee and the Board of Directors review the status of ALM management and appended risks in the Company at the periodical meetings on a quarterly basis and issues directions/suggestions as deemed necessary. The risk profile of the Company covering the above 8 risk segments is drawn at quarterly intervals and the same reviewed by the Risk Management Committee of the Board and the Board and risk mitigate are suggested. The management has graded the Company risk profile as "Low" for all 4 quarters.

9. Internal Audit and Control

While the Regulator viz. National Housing Bank (NHB) conducts its regulatory audit at annual intervals, the sponsor bank (Canara Bank) conducts inspection and management audit once in two years. During the year under review, NHB conducted the inspection of the Company during October/November 2014 for the position as at March 2014. Further, Canara Bank has also conducted an inspection of the Company in September 2014. Both inspection reports did not find any major deficiencies in the functioning of the Company. The reports were also reviewed by the Audit Committee of the Board and the management's compliance was submitted on time.

Company has already put in place a defined policy of Risk-Based Internal Audit, wherein all the 71 branches due for audit have been audited by our internal auditors in the year 2014-15. All the branches have been risk-rated "low risk". A professionally experienced and qualified team of Auditors conduct the internal Audit of the branches and the Registered Office of the Company at quarterly/half-yearly intervals. As a part of Inspection, Canara Bank has also conducted Information Security Audit (IS Audit) of the Company and all the audit issues have been resolved by the Company.

The Company has put in place adequate internal control and systems commensurate with the nature of its business and the size of its operations and the business model. The Company has also established extensive internal controls to mitigate risk, a set of procedures including clear delegation of authorities and standard operating procedures for all functional areas. The oversight of the management on the operations of the branches is continuous and effective.

Loans sanctioned at the Branch level are reviewed by the Overseeing Executive/Manager. Loans sanctioned at the Registered Office are reviewed by a different authority. Loans sanctioned by the DGM are reviewed by a different DGM and the loans sanctioned by the MD are placed before the Board for review.

The Overseeing Executive/Manager will also visit the Branch at stipulated intervals and act as a mentor/guide, wherever required.

The Company has also set up an Offsite Transaction Monitoring System (OTMS) in 2013 to have better internal control/track sensitive transactions on a near- to real-time basis and locate early warning signals. CFHL is among the first companies to introduce Risk-Based Internal Audit system in the industry. The newly opened branches are audited within 6 months of their opening to ensure adherence to proper systems from the beginning.

The Audit Committee of Board reviews all Audit reports (RBIA, Internal Audit, NHB, Canara Bank, LFAR) of all Branches and performance of audit departments at quarterly intervals, and issues proper directions for mitigation of various operational risk while the Board has been reviewing the risk profile of the Company, KYC/AML compliance/ALM at quarterly intervals and Compliance to Fair practice code/customer complaint/redressal mechanism at half-yearly intervals as per regulatory guidelines.

The legal compliance report on the status of compliance of various regulations is placed before the Audit Committee/ Board on a quarterly basis. The Audit Committee of the Board of Directors reviews major inspection and internal Audit observations along with the reply, including the actions to be taken/ taken on such observations, on a quarterly basis. The Company has a review system for all policies annually before the commencement of a financial year, so that the new policies are implemented from the beginning of year. All policies are critically analysed by the Risk Management Committee of the Board and reviewed/approved by the Board. In tune with this, the Company has reviewed all the policies of the Company viz. credit policy, recovery policy, accounting policy, corporate governance policy, investment policy, information technology policy, premises, KYC Policy, audit policy and outsourcing policy and such other policies were revisited and reviewed during the year 2014-15. The internal control systems in the Company are adequate and commensurate with the nature of its business and size of its operations.

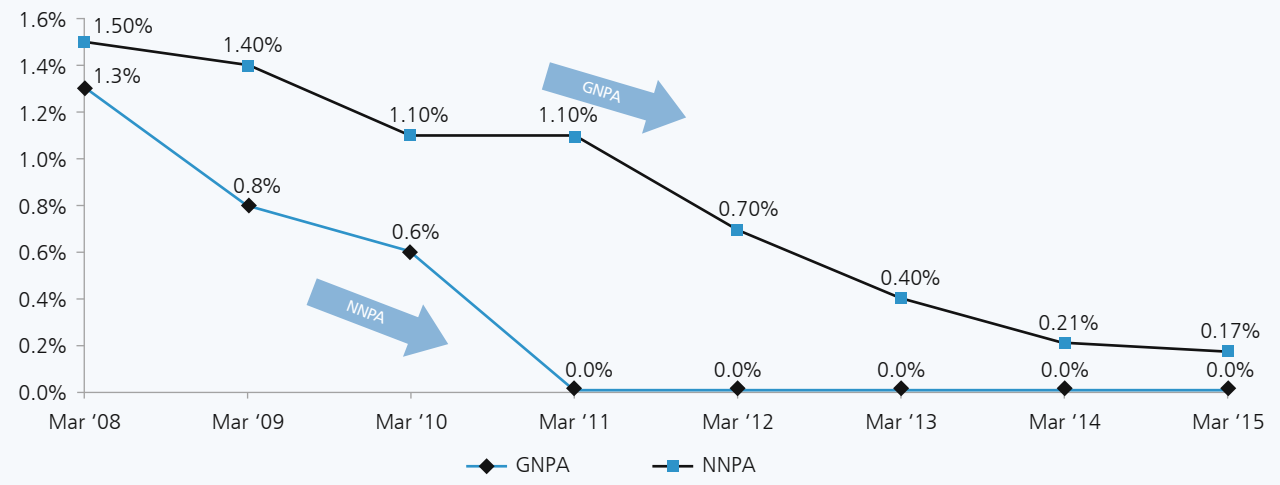
10. Quality of assets

The Company makes the risk assessment of the customers at the time of initial appraisal for the purpose of pricing and granting the loans. Applicants beyond a particular level of the risk matrix are not considered for loans/additional loans. The Company also makes a portfolio risk analysis at frequent intervals and high-risk persons are not considered for sanction.

The Gross NPA as at 31st March, 2015 stood at ₹14.35 crore (0.17%) as against ₹12.10 crore (0.21%) of gross credit during the previous year, the lowest in industry (HFC industry average 0.74% in 2013-14 and 0.71% for the current year; source: ICRA). This was achieved by rigorous follow-up by way of Individual Account Monitoring System (IAMS), recovery workshops conducted in various regions, and special review meetings through which every NPA account was tracked closely for closure or for regularisation. The follow-up of the Special Mention Accounts (SMA) at the incipient stage, adequately assisted by technology, to arrest further slippages into NPA, was a step in the right direction. The position of GNPA and Net NPA for past 8 years is furnished in exhibit 8.

Asset quality – Year to year

GNPA and NNPA – FY08 to FY15 EXHIBIT 8



Perfection of security is another aspect which has been given utmost importance, to ensure better asset quality. With branch expansion in all the regions, the geographical distribution of assets is expanding across the country. Core NPAs (NPAs for more than 5 years) have been brought down by intensive recovery drives and one-time settlements. However, there are a few accounts where frauds have been perpetrated during the year, for which the Company has already initiated recovery steps, taking criminal action, etc. With CFHL's relentless focus on asset quality, the Company has been able to maintain the lowest GNPA level among its peers.

11. Statement of Profit and Loss Account

The key performance parameters of the statement of Profit and Loss Accounts for the year ended 31st March, 2015 are:

- Profit before Tax grew by 36% and Profit after Tax grew by 27%.
- Net interest income grew by 32% from ₹134.29 crore to ₹177.60 crore during the year.
- Net interest margin for the year was 2.54% (previous year: 2.71%)
- Pre-tax return on average assets was 1.97% and post-tax return on average assets was 1.23%.
- Average return on Equity is 18.20% in the current year (previous year: 16.74%)
- CFHL's cost to income ratio was 25.61% for the year ended 31st March, 2015 as against 26.22% in the previous year.
- For the year ended 31st March, 2015, a dividend of ₹7 per share is being recommended against ₹6.50 per share in the previous year.
- The dividend payout ratio will be 21.61% as against 17.59% in the previous year.

Over the last 8 years, the Key data on profits/ratios is represented in exhibit 9, 10 & 11.

Key data on Profits/Ratio – Year to year EXHIBIT 9

(₹ in crore)

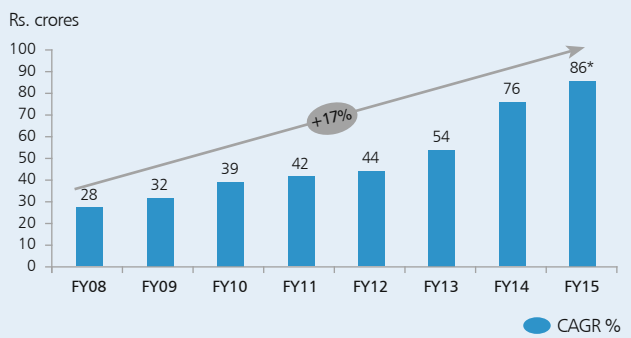
Income statement	Mar -08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Net interest income	46	51	63	72	84	96	134	178
Other income	4	5	8	5	7	14	21	29
Total opex	12	12	17	17	23	36	44	55
Provisions	1	1	-1	1	7	-1	4	14
Tax	9	12	16	17	17	21	31	51
Net profit	28	32	39	42	44	54	76	86

Balance sheet	Mar -08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Net worth	220	245	275	311	348	392	452	771
Borrowings	1695	1650	1865	1904	2300	3538	5269	7375
Loan book	1882	1875	2098	2202	2679	4016	5844	8237
Total assets	1973	1951	2192	2275	2716	4049	5912	8334

Key ratios	Mar -08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
NIM	2.4	2.7	3.1	3.3	3.5	2.9	2.7	2.6
CAR	20.7	16.1	17.1	19.1	17.4	14.7	13.8	18.4
ROA (%)	1.4	1.7	1.9	1.9	1.8	1.6	1.5	1.3
ROAE (%)	13	13	15	15	13	14	17	18

Net Profit – Year to year

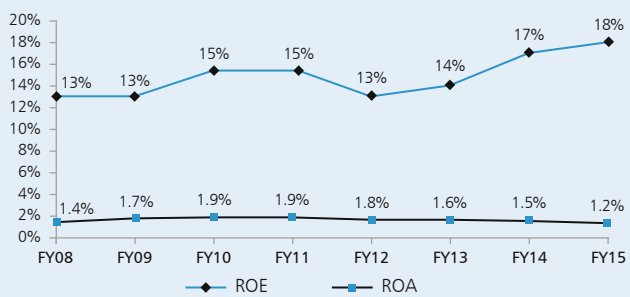
Net Profit growth – FY08 to FY15 (Annual) EXHIBIT 10



* without DTL component Net Profit is Rs. 95 Cr

Return matrices – ROA and ROE – Year to year

ROE and ROA – FY08 to FY15 (Annual) EXHIBIT 11



Return on Average Equity since rights issue amount received on 13/03/15

12. Prudential Norms for Housing Finance Companies (HFCs)

NHB has issued regulatory guidelines to HFCs on prudential norms for income recognition, provisioning, asset classification, capital adequacy, concentration of credit/investments, accounting standards, credit rating, 'Know your customer (KYC)', Fair Practice Code, grievance redressal mechanism, recovery of dues, real estate and capital market exposure norms. CFHL has complied with all these regulatory guidelines.

As per prudential norms prescribed by NHB, an asset is a non-performing asset (NPA) if the interest or principal instalment is overdue for 90 days. HFCs are required to make provisions depending on the age of the overdues at prescribed rates and the income on such NPAs is not to be recognised. Apart from the provisioning on NPAs, HFCs are also required to carry a provision of 0.40% on standard individual Housing loans, 1% to other individual non housing loans and loans to developers and 0.75% to commercial real

estate – residential properties. CFHL has complied with all the above regulatory norms.

As per prudential norms, CFHL is required to carry adequate provision for standard assets, NPA at prescribed rates. CFHL has carried adequate provision on standard assets and exercising abundant caution, provided 100% provision for the entire NPA amount of ₹14.35 crore. As a result, CFHLs net NPAs are Nil on the outstanding loans of ₹8231 crore.

13. Capital

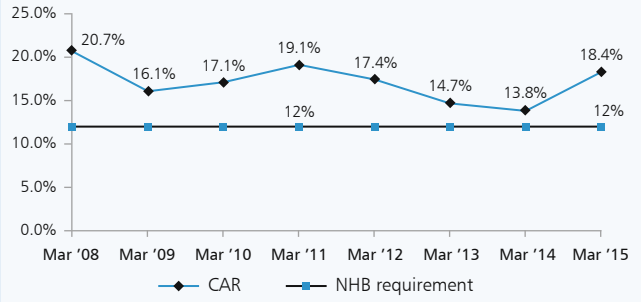
During the year, the Company has increased the share capital by ₹273 crore (received on 13/03/15) by offering 61,34,992 shares at ₹450 (₹10+₹440) by way of Rights Issue, to augment its resources and meet the Regulatory Capital Adequacy requirements of the Company till Sept 17.

CFHL's total borrowings as at 31st March, 2015 of ₹7374 crore were within the permissible limit of 16 times the net owned funds (as at 30/09/14) and also the limit approved in the last AGM. The Company has conducted/participated several investors' meets at Mumbai, Chennai, Hong Kong, Singapore, besides reaching out through the print media/electronic media (national TV channels) to position the Company in right perspective in the eyes of investors.

The Capital Adequacy Ratio (CAR) of the Company has improved to 18.39% as on 31st March, 2015 (against the 12% stipulation by NHB with the risk weighted assets standing at ₹4945 crore (60% of loan outstanding). The Regulatory prescription of CAR and actual position for the past 8 years is furnished in exhibit 12.

Capital adequacy

Comfortable capital adequacy – Year to year EXHIBIT 12



*NHB requirement: 12%: Rights issue amount Rs. 276.07 Cr received/accounted on 13/03/15

14. Deferred Tax Liability (DTL)

During the year, NHB has directed all the HFCs to provide for deferred tax liability in respect of balance in the special Reserve created under section 36(i)(viii) of IT Act 1961 as on 31/03/14 and permitted to adjust the same from the retained earnings. However, based on the representations from the HFCs, the NHB has through a general circular, permitted all the HFCs to adjust the Deferred Tax Liability in a phased manner over a period of 3 years in the ratio of 25:25:50, starting from FY 2014-15. Accordingly, during the year, the Company has transferred ₹18.50 crore (25% of 73.99 Cr) in the current year from the general Reserve to DTL, towards the DTL liability. Further Deferred Tax Liability of ₹7.98 crore is also charged to the P&L account on account of special Reserve appropriated during the current year.

15. Depreciation on Fixed Assets

During the year, there is significant change in the guidelines with regard to provisioning for fixed assets. The rate of depreciation is increased and is linked to the remaining life of the fixed asset. The Company has, as per the revised provisions, reworked the useful life on various fixed assets as prescribed in the Companies Act, 2013. Wherever the remaining useful life of the fixed assets is nil as on 01/04/14, the same has been adjusted to the General Reserves as provided in the Act.

16. Human resources

During the year, we recruited 23 managers, 20 probationary officers, 92 junior officers on contract, 6 marketing officers and 22 housekeeping cum peons (HKP), giving preference to qualified local candidates for the new branches. The staff position as at the end of the current financial year was 491 against the previous financial year's figure of 387. All the new recruits have been given induction training. Additionally, the junior officers are mentored by the Branch Managers and the senior staff at the branches and the new managers are guided by their Overseeing Executives. The attrition level is 9.58% during 2014-15. The mentoring Executive handholds the new entrant to enable his/her smooth transition into the organisation and help him/her adapt to the value system and its working.

Due to opening of substantial number of the branches/satellite Offices (83 to 117), there is only a marginal decrease in the cost to income ratio (from 28.29% in 2013-14 to 25.61% in 2014-15). This is expected to come down further to 16.29% in 2015-16. Business per employee has increased from ₹13.62 crore as on 31st March, 2014 to ₹17.22 crore as on 31st March, 2015. Most of the newly opened branches are reaching the break-even point within 9 to 12 months and satellite offices within 3 to 6 months. The employer-employee relation continues to be cordial and there have been no instances of any disruption.

17. IT and IT Security

To improve the operational efficiency and bring homogeneity in the operations, the Company has migrated to Core Banking System through Integrated Business Suit (IBS) in 2013. The software provided by the vendor is constantly reviewed and bugs are fixed. Necessary upgradations/enhancements are made from time to time. During the year, Company centralised the system of creation and satisfaction of charge with CERSAI

portal, a software package has been developed and put in place for recovery and remittance of TDS, Service Tax, etc. Biometric attendance marking system was introduced in 60 branches to monitor the punctuality of staff. As an IT Security measure, certain restrictions were introduced to restrict usage of login IDs. De-duplication has been done in all the branches to ensure uniform customer ID to all customers across the Country. Considering the increased number of branches, the Company has also enhanced the bandwidth to speed up the operations in the branch. All the branches of the Company and the RO are connected through Internet and our Core Banking Platform. The Company has taken required initiatives in maintaining data integrity and adequate control over the data. IT security is ensured through periodical audit of its operating systems and data at Data Centre (DC) and Data Recovery Centre (DRC) through the Audit Dept. and the external agency.

To increase the visibility of the Company and improve the operational efficiency, the Company has introduced a Customer Portal, Mobile website and Online Portal on the Company's website. The Company has introduced a missed call facility to enable customers to know the loan outstanding in their accounts by giving a missed call. SMS alerts are given to customers to remind them and ensure prompt repayment of loan instalments, extend wishes for birthdays, inform details of loan schemes, etc. 70% of collection of instalments is done through Electronic Clearing System (ECS). We are planning to introduce facilities for online payment/ credit by customers to the loan accounts this year.

18. Related Party Transactions

CFHL maintainins an arm's length distance 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 stake holders. The related party transactions with details are furnished in the Note forming a part of the accounts.

19. Outlook for 2015-16

CFHL has drawn a challenging business plan for 2015-16. The network of branches and satellite offices will be increased to 140. The book size of the Company will reach ₹11000 crore, NHL will reach 20% of gross credit, and SENP category will reach 25% of the loan outstanding. CFHL would continue to focus on improving asset quality, lending to individual segments, increasing the non-housing loan segment, improving profitability and extending business operations. Contributions through the network of Direct Selling Agents (DSAs) are also expected to remain at about 50%.

At macro level, the prospects for the future are bright & encouraging the industrial sector, which has not grown on expected lines, is expected to improve. Inflation has come down substantially and is at a manageable level. The RBI and government continuing the policy of managing inflation, promoting investment through generation of employment and income, and improving infrastructural facilities including housing have contributed to the optimism. The real estate industry is expected to improve in the current year across the country and credit offtake is likely to improve. However, pressure for the reduction of rate of interest and consequently, its impact on the spread is expected to persist.

20. Corporate Social Responsibility

Under the Companies Act 2013, Ministry of Finance has published New CSR Rules, which makes private Companies operating in India having a networth of ₹500 Crore or more or turnover of ₹1000 Crore or more or a net profit of ₹5 Crore or more during the financial year, to mandatorily implement the CSR Rules w.e.f. 01/04/14. The new Rules are intended to promote socio-economic development in rural areas, improve education, eradicate hunger, promote gender equality, etc. The Rules include a mandate for business entities to spend a minimum of 2% of their average net profit of the preceding 3 years on CSR initiatives.

The Company has formed the Corporate Social Responsibility Committee w.e.f. June 2014 with clear roles and responsibilities in terms of provisions of Companies Act. The Company continues to extend support for social causes like extending financial support to the students, providing infrastructure to the schools and other purposes specified by the Act and rules framed thereunder. The particulars of the amount to be spent & already spent and reasons for not spending are furnished in the report of Directors.

The Company's policy on Corporate Social Responsibility is uploaded in the Company's website for the information of all the stake holders.

21. Cautionary Statement

The statements/averments made in this report describing the Company's objectives, estimations, expectations or projections, outlook, etc. constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, etc. 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 on behalf of the Board of Directors

Sd/-

Bengaluru — **K.N. Prithviraj**

Date: 02/06/2015 — *Chairman*

REPORT OF DIRECTORS

Dear members

Your Directors are pleased to present the 28th Annual Report of the business and operations of the Company together with the audited accounts for the year ended March 31, 2015.

1. FINANCIAL RESULTS

The financial performance for fiscal 2014-15 is summarised here below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit before Tax & Provisions	15169.98	11131.93
Less: Provision for Standard Assets	1200.00	800.00
Provision for Doubtful Debts (Written Back)	224.77	(355.69)
Prior Period adjustments	0.00	22.42
Profit Before Tax	**13745.21**	**10665.19**
Tax expenses:		
(a). Provision for Tax - Current Year	4323.00	3093.00
(b). Deferred Taxation	797.91	1.00
Profit After Tax	**8624.30**	**7571.19**
Balance brought forward from previous year	521.72	8179.56
	9146.02	**8179.56**
Appropriations:		
Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961	2850.00	2500.00
Transfer to General Reserve	2000.00	2000.00
Additional Reserve (u/s.29C of the NHB Act)	1800.00	1600.00
Proposed Dividend	1864.16	1331.54
Tax on Distributed Profits	322.56	226.30
Balance carried forward to balance sheet	309.30	521.72
	9146.02	**8179.56**

2. SHAREHOLDERS' WEALTH

(₹ in lakhs)

Particulars	March 31, 2015	March 31, 2014
Earnings Per Share (EPS) (₹)	41.45	36.96
Dividend Rate	70%	65%
Market Price of shares as at 31st March (₹)	607.00	190.70
Market Capitalisation (₹ in Crore)	1616.91	390.65

3. BUSINESS PERFORMANCE HIGHLIGHTS

a. Sanctions

The main challenge during the year under review was to increase the revenue. This challenge was particularly pronounced by the economic slowdown, high interest rates, slow realty sector growth and sluggish apartment offtake.

During the year, your Company continued to focus on retail housing and non-housing loan segment which constituted 97.02% of its total sanctions. Housing and other loans sanctioned amounted to ₹3670 Crore (previous year ₹2907 Crore), a growth of 26% over the previous year and significantly higher than the industry average. The cumulative loan sanctions since inception of the Company stood at ₹16492 crore at the end of the financial year 2014-15.

b. Disbursements

Your Company recorded a growth 31% in disbursements of housing loans and other loans that was higher than the industry average of a 24%. The cumulative loan disbursements from inception to the end of the financial year 2014-15 was ₹14,369 crore.

c. Loans outstanding

The loan(s) outstanding at the end of the financial year was ₹8,231 crore (previous year ₹5844 crore), a growth of 41%.

Your Company continues to give more thrust to increasing the share of high-yielding non-housing loans in the loan-mix. During the year the share of non-housing loan has increased from 9% (₹513 Crore) to 11.34% (₹934 Crore).

d. Non-Performing Asset (NPA)

In a slowing housing loan market, one of the biggest challenges lay in addressing accretion of non-performing assets. We are pleased to report that even as the year under review was challenging for the country's non-banking finance sector, the Gross NPA of your Company as on March 31, 2015 was ₹14.35 crore (previous year ₹12.10 crore), possibly the lowest in the industry. The net NPA as on the date continued to be Nil, with the NPA Provision coverage ratio at 100%. The gross NPA percentage declined from 0.21% in the previous year to 0.17% as on March 31, 2015.

During the year under review, your Company could make a cash recovery of ₹1.37 crore (previous year ₹0.62 crore) from 20 long-pending NPA accounts through a one-time settlement (OTS). Recovery in written-off accounts during 2014-15 was ₹0.73 crore (previous year ₹0.37 crore).

e. Profits

Your Directors are happy to inform that during the year under review, your Company recorded a Profit Before Tax (PBT) and Provisions of ₹151.70 crore (previous year ₹111.32 crore) and Profit After Tax (PAT) of ₹86.24 crore (previous year ₹75.71 crore). During the year under review the Company has made provisions for standard assets amounting to ₹12.00 crore (previous year ₹8 crore) and ₹9.69 crore (previous year NIL) towards the Deferred Tax Liability (DTL) on Special Reserve. While the Year-on-Year (YoY) growth was 36.27% under Profit before Tax and Provisions, the same was 13.91% under PAT with DTL component and 26.71% without considering the DTL component.

f. Dividend

Your Company has been paying dividends continuously since inception in 1987-88.

This subject was discussed in detail by the Directors with specific reference to the issue of 61.45 lac shares under Rights issue in March 2015, taking into account the Capital Adequacy Requirements(CAR) for the projected business plans for next year, creation of DTL, transfer ₹18 crore from General Reserves etc.

With due consideration to the views expressed by the Members of the Company at the previous Annual General Meetings, appreciating the confidence reposed by the members in the Company with overwhelming contributions to the Rights Issue and their continued support, the Board of Directors of your Company recommended a dividend of ₹7 per equity share (70%) for the financial year ended March 31, 2015 for all the shareholders, including Right Issue allottees, (against ₹6.50 per equity share recommended during the previous year). The tax on dividends u/s.115-O of the Income Tax Act, 1961, at about 17.30% (previous year 16.99%), is being paid to the Government by the Company.

4. EXPANSION OF BRANCH NETWORK

During the financial year 2014-15, 24 new branches were opened by your Company in different States across the country, taking the total number of branches to 107 (previous year 83 branches). Further, your Company introduced the concept of 'Satellite Offices' by which many branches in metropolitan/tier-II cities can source business from additional locations (within 30 km radius of main branch) apart from providing doorstep service to existing/potential customers with lower operating costs considering the smaller unit size.

Your Company intends to open 23 branches/Satellite Offices in 2015-16 to take the tally to 140 by March, 2016.

With this branch network, your Company will enjoy a strong marketing and distribution capabilities to scale its business and address the growing needs of a larger section of customers.

The Registered Office and all the branches are provided with state-of-the art ambience, spacious premises and other facilities to enhance service quality and visibility in the market.

5. TECHNOLOGY INITIATIVES

All the branches of the Company and the Registered Office are linked through a core banking platform (Integrated Business Suite) under the Application Service Provider (ASP) Model that enriched data management and strengthened service delivery. All the new branches were opened on the Core Banking platform from day one. Your Company increased its bandwidth to enhance operational speed across branches through the ASP vendor through an additional connectivity provider (Tata and Reliance).To improve operational efficiency, your Company embarked on technology initiatives like the introduction of Online Application Module in the Company's website to receive applications online, mobile website, customer portal in the website to draw account statements/certificates at customers' end, missed call facility to borrowers to inform them about outstanding balances in their loan accounts, SMS alerts to remind borrowers of loan instalments/new schemes. The Electronic Clearing System (ECS) facility for collection of instalments covers 72% of the new accounts making the recovery process smooth and hassle-free.

6. CUSTOMER-FRIENDLY INITIATIVES

During the year, your Company conducted studies for evaluating the systems/procedures/ processes/products of peer group players to examine the best practices and implement/ adopt those suitable, to ensure simple and customer-friendly processes. Earnest efforts were made to reduce the turnaround time (TAT) in sanctioning and disbursing loans at all levels.

Your Company continued to adopt transparent ethical equitable practices towards all customer segments. Your Company's website provided all the major information on the products and applicable charges. The Fair Practice Code (FPC), Most Important Terms and Conditions (MITC) and customer/investor redressal mechanisms are reviewed at half-yearly intervals based on feedback from customers/branches and as per NHB guidelines. Your Company received encouraging response to its unique referral scheme wherein many existing customers benefited from the refunds of their processing fees upon referring new customers to the Company and on getting the same disbursed.

Keeping in view customer needs during 2014-15, your Company introduced a new loan product viz., Commercial Housing Loans (CHL), which was well-received by borrowers. The introduction of online remittance by borrowers to loan accounts through internet banking/mobile was also considered during the year.

7. FINANCIAL RESOURCES

a. Refinance from National Housing Bank (NHB)

During the year, in all, your Company has availed fresh refinance amounting to ₹1345.90 crore (previous year ₹1133.80 crore) under the NHB refinance scheme to housing finance companies. The cumulative NHB borrowings as on March 31, 2015 were ₹3220.34 crore (previous year ₹2323.99 crore), at the overall cost of borrowing of 9.03% p.a. as on 31/03/15.

b. Borrowings from Banks

Your Company progressively reduced its dependence on bank borrowings (44% to 31% of total borrowings on YOY basis). 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 Bank of Baroda, HDFC Bank, Kotak Mahindra Bank, Deutsche Bank and Federal 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 ₹2307.12 crore (previous year ₹2525.79 crore); the overall cost of borrowings was 10.18% p.a. as on 31/03/15 while the incremental borrowing cost was 10.07% p.a. for 2014-15 indicating cost of borrowings almost remained the same.

During the year, the long-term 'rating' for term loans for your Company was upgraded to '[ICRA]AAA' (pronounced ICRA triple A) from ICRA AA+ (pronounced ICRA double A plus) by ICRA Ltd., these ratings assumed to possess the highest degree of safety with regard to the timely servicing of financial obligations.

c. Debentures

(i) Secured Non-Convertible Debentures

In its continuing efforts to reduce fund costs, your Company

issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures (SRNCD) aggregating ₹300 crore (previous year ₹250 crore at 10.05%) in different trenches through private placement with a coupon rate range of 8.78% to 8.80%. The debentures were secured by way of a floating charge on the assets i.e., loan receivables specifically earmarked for the purpose/mortgage of an immovable property in favour of the Debenture Trustees. Most investors in these debentures comprised major insurance companies, public sector banks, corporates and investors of repute, indicating their safety perception in your Company's fundamentals and prospects.

The tenure of debentures is range bound to 2 to 3 years. The interest on these debentures was serviced as and when it became due. The aggregate borrowings by way of Secured NCDs as on March 31, 2015 was ₹550 crore (previous year ₹250 Crore) while the overall cost was 9.72% p.a. with incremental cost at 8.84% p.a, indicating downward trend in cost of borrowing.

The Debentures issued by your Company were rated by three rating agencies viz., Credit Analysis & Research Ltd. (CARE), India Ratings and Research Pvt. Ltd. (Fitch Group) and ICRA Ltd.

The debentures were rated '[CARE] AAA' (previous Rating 'CARE AA+) by CARE, 'IND AAA' (previous rating 'IND AA+') by India Ratings and Research Pvt. Ltd., and '[ICRA] AAA' (previous rating 'ICRA AA+'). These debentures were listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited.

Your Company is having the plans to raise Non-Convertible Debentures up to a maximum ₹2500 crore (last year ₹2,500 crore as permitted by AGM) during the year, subject to cost benefit and asset liability management requirements.

(ii) Unsecured Non-Convertible Debentures

During the year, your Company issued 8.94% Un-secured Non-Convertible Debentures in the nature of Tier II Bonds aggregating ₹100 crore (Previous year Nil); the tenure of the said debentures is 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 Adequacies Requirements. These Tier II Bonds were rated 'IND AAA'" long-term rating by India Rating & Research Pvt Limited, '[CARE] AAA' by Credit Analysis & Research Ltd., (CARE) and '[ICRA] AAA' by ICRA Ltd.

d. Commercial Paper

Your Company has started mobilising funds through commercial paper (CP) for the first time since July 2014. The outstandings at the end of the March 2015 was ₹975 crore. The effective cost of funds was 8.49% p.a.. The CP issue by your Company was rated at the maximum [ICRA] A1+ rating by ICRA Ltd., indicating "Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations." (Your Company proposes to get the same rated by another rating agency during the current year).

e. Deposits

The outstanding balance of deposits (including interest accrued, but not due) as of March 31, 2015 was ₹222.06 crore (previous year ₹168.74 crore). Your Company embarked on a number of initiatives to strengthen its deposit base . The rate of interest on public deposits ranged from 8% to 9.75%, while the overall cost of deposits was 9.58% p.a. as on 31/03/15 with incremental cost at 9.32% p.a.

As on March 31, 2015 a sum of ₹14.50 crore relating to 1,154 accounts (₹11.13 crore as on March 31, 2014 relating to 1,316 accounts) lay unclaimed. Of this amount, a sum of ₹6.67crore relating to 271 accounts (previous year ₹3 crore relating to 170 accounts) was claimed and renewed/settled as of June 02, 2015. The depositors whose deposits matured were intimated with a request to either renew or claim their deposits (followed by subsequent reminders).

During the year, the deposit schemes of the Company are rated 'MAAA" (pronounced as M Triple A) against 'MAA+' (pronounced M double A plus) during the previous year 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.

f. Mortgage-backed securities

Your Company did not opt for any securitisation during the year under review or during the previous year. There were no securitised assets outstanding as on March 31, 2015.

Disclosure as required under Sec 134(1)(g) of the Act is not applicable.

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

Your Company adhered to the prudential guidelines on Income Recognition and Asset Classification 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. For asset classification of credit/investments, credit rating, acceptance of deposits, Fair Practices Code (FPC), Most Important Terms and Conditions

(MITC) in vernacular languages, Customer Complaints Redressal Mechanism, Know Your Customer (KYC), Anti-Money Laundering (AML) Guidelines, Asset Liability Management, Capital Adequacy Ratio (CAR) norms, Customer Redressal Mechanism and other related instructions, all NHB norms were implemented in letter and spirit with an explicit notification on our website.

As per the National Housing Bank Circulars NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 and NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013, in addition to the provision for non-performing assets, the Company has made a general provision @

(i) 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing,

(ii) 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing, and

(iii) 0.40% of the total outstanding amount of loans, which are Standard Assets other than (i) and (ii) above.

Loans to individuals for third dwelling units onwards shall be treated as Commercial Real Estate (CRE) exposure. A provision of ₹12 crore towards Standard Assets has been made in the books as on March 31, 2015 and the cumulative provision in that regard stood at ₹38 crore as on the above date. The recognition of income and provision for all assets was made in the books as per the Guidelines on Prudential Norms applicable as of March 31, 2015.

Your company carved out ₹7.98 crore from current year P&L and ₹18.50 crore from General Reserves towards DTL as per NHB guidelines NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014.

Your Company complied with the Accounting Standards issued by the ICAI, New Delhi, and other related statutory Guidelines/Directions as applicable to the Company from time to time.

Compliance of all Regulatory guidelines to NHB/other statutes are periodically reviewed at Audit Committee/Board levels.

9. COMPLIANCE UNDER THE COMPANIES ACT, 2013

The Companies Act, 2013, with Rules, notified with effect from April 01, 2014 with substantial changes in the requirement of law. Your Company took steps to comply with the requirements of the above Act, as applicable.

10. RIGHTS ISSUE OF EQUITY SHARES

With due consideration to the views expressed by the Members of the Company at the previous Annual General Meetings, the confidence reposed by members in the Company, business growth and the need to induce capital to meet Capital Adequacy Requirements , your Company issued 61,45,575 equity shares of face value of ₹10 each for cash at ₹450 each (including a premium of ₹440 per share), in consultation with the issue's Lead Managers. The issue has been fully subscribed and your Company raised/received ₹276.07 crore and accounted ₹273.39 cr as capital (less issue expenses of ₹2.68 cr) on 13/03/15.

The Board of Directors wish to thank shareholders for their whole-hearted support that made the rights issue a success.

11. CAPITAL ADEQUACY

The Capital Adequacy Ratio (CAR) of Your Company as at March 31, 2015 was 18.39% (previous year 13.83%), well above the Regulatory benchmark of 12% prescribed by the National Housing Bank (NHB). The increase in CAR was due to the addition of Tier I capital to the extent of ₹273.38 crore on March 2015, which your Company mobilised through the rights issue and the addition in Tier II capital through Unsecured Redeemable Non-Cumulative Non-Convertible Taxable Debentures (UNCD) to the extent of ₹100 crore in December 2014.

12. DEPRECIATION

Depreciation was calculated on the Written Down Value Method (WDV) as per the useful life, in the manner prescribed in Schedule II to the Companies Act, 2013. The Company reworked the useful life on various Fixed Assets as prescribed in Part C of Schedule II of the Companies Act, 2013. In respect of those assets whose remaining useful life as on 01/04/14 was Nil, the same was adjusted to the General Reserve as prescribed under 7(b) to the notes of the said Schedule II of the Companies Act, 2013.

13. DEFERRED TAX LIABILITY (DTL)

Vide Circular NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014, the National Housing Bank (NHB) directed Housing Finance Companies (HFCs) to provide for deferred tax liability with respect to the balance in the Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961 as on 31/03/14 and permitted to adjust the same from retained earnings. Further, vide Circular NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014, NHB permitted HFCs to adjust the Deferred Tax Liability in a phased manner over three years in the ratio of 25:25:50 starting from FY 2014-15. Accordingly, your Company has to adjust the DTL of ₹74 crore in three years. The Company transferred ₹18.50 crore in the current year from the General Reserve to DTL, on the Special Reserve outstanding as on 31/03/14.

Further, Deferred Tax Liability of ₹7.98 crore (previous year ₹1

lac) was charged to the Statement of Profit & Loss, on account of Special Reserve appropriated during the current year.

14. 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 82 defaulting borrowers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ("SARFAESI") Act, 2002 and recovered ₹2.66 crore (previous year ₹2.79 crore) from borrowers of Non-Performing accounts. During the year, your Company recovered ₹0.73 lac in written off accounts (previous year ₹0.37 lac). During the year, your Company negotiated one-time settlement (OTS) with eligible NPA borrowers as per its recovery policy and recovered ₹206.65 lac (previous year ₹231.60 lac).

15. PARTICULARS OF EMPLOYEES

There were no particulars to be furnished under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. During 2013-14, the Company had not employed anyone with a remuneration of ₹60 lac or more per annum.

16. LISTING OF SECURITIES

The equity shares of the Company continued to be listed on the Bangalore Stock Exchange Ltd. (BgSE), Bengaluru, BSE Ltd. (BSE), Mumbai, and the National Stock Exchange of India Ltd. (NSE), Mumbai. The listing fee payable to these Stock Exchanges was paid before the due dates.

The Securities & Exchange Board of India, vide its letter dated December 26, 2014 bearing No. WTM/ RKA/MRD/165/2014, granted an exit to the Bangalore Stock Exchange Ltd., (BgSE)., Bengaluru.

17. HUMAN RESOURCES DEVELOPMENT

The total number of employees of your Company was 491 as on March 31, 2015 as against 387 as at the end of the previous year. Your Company adopted the policy of recruiting local people in the respective branch locations to improve functional efficiency of the branches. Attrition state stood at 9.58% (mainly contract staff at entry level), far below the industry level.

To prepare employees in addressing the latest changes/ developments in the housing finance area and related subjects, some employees were deputed for training programmes/ seminars on topics of relevance to housing finance, organised by the National Housing Bank and other reputed institutions. During the year, training in credit, information technology, human relations, finance, taxation, marketing, fraud prevention and other topics of importance were imparted to employees and executives.

Your Company put in place a series of HR measures including timely/continuous promotions, proper placements, implementing appropriate employee recognition schemes, rewards for good work at Board level, promising career path etc. Besides, eligible branches/branch employees were rewarded with unique cash incentives for reducing SMAs and NPAs.

Industrial relations in your Company continued to be cordial during the year.

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

In terms of (section 125 of the Companies Act, 2013 yet to be notified) 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, unclaimed deposits/ other dues for the previous seven years as of the date of the Annual General Meeting are made available on the website of MCA-IEPF as well as on the Company's website. In order to receive prompt payment, the members/investors are requested to register their bank account numbers, 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, 2015, dividends aggregating to ₹83.63 lac (previous year ₹66.23 lac) relating to dividends declared for the years 2007-08 to 2013-14 (of which ₹25.27 lac related to dividend for the year 2014), had not been claimed by shareholders. Your Company intimated shareholders to lodge their claims and related particulars were provided in the annual reports each year as well as on the website of the Company.

The dividend pertaining to 2006-07, which remained unclaimed/unpaid amounting to ₹6.17 lac (in respect of 1,623 shareholders), was transferred to IEPF in August 2014, after the settlement of claims by members received in response to the individual reminder letters sent by the Company to the respective members.

The dividend pertaining to 2007-08 remaining unclaimed and unpaid, amounting to ₹7.63 lac (in respect of 1906 shareholders) as on March 31, 2015, would be transferred to IEPF during September, 2015 after settlement of the claims received up to the date of completion of seven years. As an investor-friendly measure, your Company sent individual reminder letters to the respective shareholders to claim the amount.

b. Unclaimed deposits

As required under Section 125 of the Companies Act, 2013 (corresponding Section 205C of the Companies Act, 1956), the unclaimed and unpaid deposits together with interest for the year 2007-08 amounting to ₹19.43 lac (previous year ₹14.46 lac) that remained unclaimed and unpaid for a period of 7 years were transferred to IEPF during the year under review.

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

Since the 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 stipulated in Rule 8 of the Companies (Accounts) Rules 2014 required to be furnished u/s.134 (3)(m) of the Companies Act, 2013 is not applicable.

Your Directors are pleased to inform that Solar Power systems have been installed in 13 branches so far as a measure for conservation of energy.

As a part of Save Green efforts, a lot of paper work at branches and the Registered office has been reduced by suitably leveraging of technology (also refer para 27).

During the year, your Company did not earn any income or incur any expenditure in foreign currency/exchange.

20. DIRECTORS

a. Resigned

Your Directors wish to report that Shri S.R.Iyer, resigned as a Director with effect from June 27, 2014 and Shri K.R.Vijayendra resigned as a Director with effect from March 30, 2015.

Your Directors wish to place on record their appreciation for the services rendered and contributions made by Shri S.R. Iyer during his tenure as Chairman of Board of Directors and Chairman of the Management Committee of Directors. Your Directors also wish to place on record their appreciation for the services rendered by Shri K.R. Vijayendra, as a Director and as a member of Stakeholders' Relationship Committee, Management Committee, Rights Issue Committee, Nomination and Remuneration Committee and Risk Management Committees constituted by the Board.

b. Newly joined

The Board of Directors appointed Smt. P.V. Bharathi, General Manager, Canara Bank as an Additional Director with effect from September 22, 2014, in terms of Section 161 of the Companies Act, 2013 and Article 22 of the Articles of Association of the Company. Your Company has complied with the requirements of Section 149(1) and proviso thereto read with the revised Clause 49 of the listing agreement(s), regarding appointment of a woman Director on the Board of the Company by 01/04/15.

Smt. P.V. Bharathi is a Post Graduate in Arts (M.A.). She is also a B.Ed. and a CAIIB and joined the Bank in December 6, 1982.

Smt. P.V. Bharathi has more than 33 years of experience in the banking industry. She has served in different branches in the NCR region and also in Tamil Nadu State. She has experience in rural, semi-urban, urban and metro branches of the bank, besides administrative offices of the bank. Presently, Smt. P.V. Bharathi is the General Manager, Canara Bank, Head Office, Bengaluru.

In terms of the applicable provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 and Article 22 of the Articles of Association of the Company Smt. P.V. Bharathi, Director hold office as such only upto the date of the ensuing Annual General Meeting. Your Company has received a notice in writing from a shareholder under Section 160 and all other applicable provisions, if any, of the Companies Act, 2013, proposing the appointment of Smt. P.V. Bharathi, as a Director.

Further particulars relating to Smt. P.V. Bharathi, Additional Director, are provided in the explanatory statement on the respective agenda, forming part of the notice of the ensuing Annual General Meeting.

Your Directors are of the opinion that Smt. P.V. Bharathi, Director, fulfils the conditions specified in the Companies Act, 2013, for such an appointment and her appointment as a Director would be in the best interests of the Company.

c. Director(s) retiring by rotation

In terms of the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, Shri S.A. Kadur, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The particulars relating to Shri S.A. Kadur are mentioned in the Report of the Directors on Corporate Governance. Your Directors recommend the re-appointment of Shri S.A. Kadur as a Director.

The agenda relating to re-appointment of Shri S.A. Kadur is included in the notice convening the ensuing Annual General Meeting.

All the Directors of the Company confirmed that they were not disqualified for being appointed/re-appointed as Directors in terms of Section 164 and all other applicable provisions, if any, of the Companies Act, 2013.

21. MEETINGS OF THE BOARD

During the year, eight meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, were made available in the Report of Directors on Corporate Governance placed before the members.

22. 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 annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

(b) the Directors have 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 at the end of the financial year and of the profit and loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors, have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Independent Directors (defined as such under the listing agreements/the Companies Act, 2013) have given declarations to the Company in terms of Section 149(6) read with Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in sub-section(6) of Section 149.

23. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Your Company constituted a Nomination and Remuneration Committee (NRC) of the Board on 4/06/14 in terms of Section 134(3)(e) of "the Act" consisting of 3 Directors. The nomination and remuneration policy provides for identification of persons who are qualified to become Directors of the Company, appointment, renewal, re-appointment, re-categorisation and/or removal of the Directors so identified, including extension or continuation of the term of appointment. This policy also lays down the criteria to identify persons who may be appointed to the senior management of the Company, determine qualifications, positive attributes and independence of a Director, carrying out an evaluation of every Director's performance.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Under the Companies Act 2013, Ministry of Finance has published New CSR Rules, which makes private Companies operating in India having a networth of ₹500 Crore or more or turnover of ₹1000 Crore or more or a net profit of ₹5 Crore or more during the financial year, to mandatorily implement the CSR Rules w.e.f. 01/04/14. The new Rules are intended to promote socio-economic development in rural areas, improve education, eradicate hunger, promote gender equality, etc. The Rules include a mandate for business entities to spend a minimum of 2% of their average net profit of the preceding 3 years on CSR initiatives.

Your Company constituted a Corporate Social Responsibility (CSR) Committee of the Board in terms of Section 135 of "the Act". The Company developed and implemented a policy on CSR. The total amount to be spent under the CSR for 2014-15 was ₹162 lac, out of which an amount of ₹3.10 lac was spent during the year. The unspent amount of ₹158.90 lac was carried forward as per provisions of Company's Act with aim to go in for granular details/ appropriate projects before spending in 2015-16.

25. RISK MANAGEMENT COMMITTEE (RMC)

Your Company reconstituted a Risk Management Committee on 12.11.14 with two Directors. Your Company implemented Risk Management Policy which included the identification of risk elements which, in the opinion of the Board, could threaten or impair the existence of the Company. The said policy, together with other policies, was reviewed once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

26. AUDIT AND INTERNAL CONTROL

Your Company strengthened the adequacy of the existing internal control systems for loan reviews at frequent intervals and measures for minimising operational risks commensurate with the nature of its business and the size of operations.

Further, your Company established clear delegation of authorities and standard operating procedures for all parts of the business/functions. During the year, your Company has further strengthened daily/weekly Offsite Transaction Monitoring System (OTMS) to track transactions across all branches by introducing new monitoring tools. The Inspection and Vigilance Department is continuously tracking sensitive transactions on a near to real time basis to locate Early Warning Signals.

The Regulator NHB conducted annual inspection of the Company at regular intervals. During the year under review, NHB conducted the inspection of the Company during Oct/Nov 2014 for the position as at March 2014; the compliance was submitted in time. Further, Canara Bank conducted an inspection of our Company in September 2014. The inspection reports of NHB and Canara Bank did not contain any major deficiencies in the functioning of the Company. The reports were reviewed by the Audit Committee of the Board,and Board and The management's compliance was submitted on time. All the branches are subjected to quarterly/half yearly audit by external auditors who review and submit reports.Your Company put in place a defined policy of Risk Based Internal Audit, wherein all the 71 branches that became due for audit, were audited in 2014-15. All branches were Risk-rated as "low risk". As a part of inspection, Canara Bank conducted Information Security Audit (IS Audit) of the Company and all the audit issues were resolved. The Audit Committee met 4 times during the year and conducted review of all audit reports/remarks/compliances/KYC matters required under Company's Act.

27. SECRETARIAL AUDIT

Your Directors are pleased to inform that there was no qualification, reservation or adverse remark or disclaimer in the audit report for the financial year 2014-15 as in the previous years.

The Secretarial Audit for 2014-15 was conducted as required U/s.204 of the Companies Act 2013, by a firm of Company Secretaries in Practice, Your Directors are pleased to inform that there was no qualification or observation or other remarks made by the said Company Secretaries in the Secretarial Audit Report. The Secretarial Audit Report issued by the Practising Company Secretaries is enclosed to the report of Directors in terms of Section 204(1) read with Section 134(1) of "the Act".

There were 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'". The requirement for disclosing the transactions as prescribed was not applicable to a loan made, guarantee given or security provided by a housing finance company.

The particulars of contracts or arrangements with Related parties referred to in sub-section (1) of Section 188 (1) of "the Act" are furnished in Note No.30 of the Notes on Accounts for 2014-15, forming a part of the annual report for the period under review.

The amended Clause 49 of the listing agreement introduced a new concept of evaluation of the Board, its Committees and individual Directors. Your Company drew 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 results of the evaluation exercise will be shared with the Board in subsequent Board Meeting(s), including listing of the identified strengths, areas of improvement and actions to be taken, if any.

Your Directors wish to inform that there were no changes and commitments, other than what is reported in the financial statements, affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

28. AUDITORS

M/s K.P. Rao & Co., Chartered Accountants, Bengaluru, Statutory Auditors of the Company (Firm Registration No.003135S) appointed by the members at the 27th Annual General Meeting (AGM) of the Company held on July 30, 2014 and other 42 firm of branch auditors who were appointed by the Board based on the approval of the members at the above AGM, to hold office from the conclusion of the said meeting until the conclusion of the ensuing AGM of the Company and are eligible for re-appointment.

The Company received a certificate from the statutory auditors under section 139 of the Companies Act, 2013 to the effect that their re-appointment, if made, would be in accordance with the conditions as may be prescribed. The statutory auditors have also confirmed that they hold a valid certificate issued by the 'Peer Review Board' of The Institute of Chartered Accountants of India.

Your Directors recommend the appointment/re-appointment of M/s. K.P.Rao & Co, Chartered Accountants as the Statutory Auditors. The resolutions seeking approval of the members for appointment of Statutory Auditors and fixation of their remuneration and authorisation to the Board of Directors for appointment of Branch Auditors and fixation of their remuneration have been included in the notice convening the ensuing Annual General Meeting. The above said appointment

attracts the provisions of Section 139, 143 and all other applicable provisions, if any, of the Companies Act, 2013.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Clause 49 of the listing agreements, the Management Discussion and Analysis Report forms part of this report.

30. CORPORATE GOVERNANCE

The Report of Directors on Corporate Governance and the Auditors' Certificate on Corporate Governance issued by the Statutory Auditors of the Company for the year under review as required under "the Act" and in pursuance of Clause 49 of the Listing Agreements (placed with the Report of the Directors on Corporate Governance) forms part of this annual report (Chapter V).

31. SAVE GREEN EFFORTS

In recognition and support to the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India, your Company sent the notice, annual reports, etc. to the registered e-mail IDs of the members. As a step towards paperless banking, initiatives taken by your Company include ECS 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 four new branches (13 in all) and the like. The usage of the paper was minimised through technology initiatives and with specific directions at the corporate level.

32. OUTLOOK FOR 2015-16

The RBI and the Government continued the policy of managing inflation, promoting investment through employment generation and improving infrastructure. The real estate industry (including housing) is expected to strengthen in the current year across the country; credit offtake is likely to improve.Reduction of interest rates are expected and the consequent impact on spreads are expected to sustain.

Your Company drew out a challenging business plan for 2015-16 with target loan book size of ₹11,000 crore by March 16 out of which NHL is expected to constitute ₹2000 crore with opening of 6 more branches and 17 satellite offices in potential centers. The Company would continue to focus on lending to individual segments with focus on salaried sector, increasing the Non Housing Loan proportion, improving asset quality reducing cost of funds further, enhancing profitability and extending operations.

Your Company expects to sustain and improve performance growth during 2015-16. A vision document for 2020 has been drawn out projecting a loan book size of ₹35,000 crore by 2020. However, given the indications about the likely changes in the cost of funds and expectations of borrowers for availing loans at lesser rates, etc., margins are expected to remain under pressure.

Sourcing proposals through the network of Direct Selling Agents (DSAs) is 57% (previous year 49%) are expected to be about 48%.

33. ACKNOWLEDGEMENTS

Your Directors would like to place on record the role of Canara Bank for consistent support.

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

Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including National Housing Bank (NHB), 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 (ICRA, CARE, India Ratings & Research Ltd., [Fitch group]), Lead Managers and Co-arrangers (SBI Capital Markets Limited, HDFC Bank Ltd., and all others), the Registrars to the Rights Issue and the Registrars Share Transfer Agents of the 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 worked 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/-

Bengaluru
Date: 02/06/2015

K.N. Prithviraj
Chairman

ANNEXURES TO THE REPORT OF DIRECTORS

Annexure 1

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Can Fin Homes Ltd.,
Bengaluru

We have examined the compliance of Corporate Governance by Can Fin Homes Ltd. for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with various Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements on the company.

In our opinion and to the best of our information 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 Agreement(s).

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 K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Suryaprakash
Partner
Membership No. 018857

Place : Bengaluru
Date : 4th May 2015

Annexure 2

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015)

[Pursuant to section204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
CAN FIN HOMES LIMITED,
Bangalore 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 29/1, M N Krishna Rao Road, Near Lalbagh West Gate, Basavangudi, 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 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

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 31st March, 2015 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. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
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'):-
   i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   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, 2009; and
   viii. The Company has not brought back any securities during the financial year under the provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
6. We further report that based on the guidelines issued by ICSI on the applicability of industry specific laws as applicable to the Company and as per the information received from the management, records maintained, and on test check basis, the Company has, in our opinion, generally complied with the provisions of the following Industry specific laws which are applicable to it:.
   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 and
4. Guidelines and circulars issued under the National Housing Bank Act, 1987 from time to time.

We have also examined compliance with the applicable clauses of:

a) The listing Agreements entered into by the Company with BSE and NSE Stock Exchanges as applicable to the Company.
b) The Secretarial Standards issued by the Institute of Company Secretaries have not yet been notified by the Central Government and hence we are unable to comment on the same.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

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 compliance 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 there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during financial year under report, the Company has:

- Made offer of Rights Issue of 61,45,575 equity shares of ₹10 each at a price of ₹450 per equity share in the ratio of 3 equity shares for every 10 equity shares held as on the record date (27th January 2015).
- Private Placement of 8.78% Secured Redeemable Non Convertible Taxable Debentures (Series -1) of ₹5 lakh each for cash at par aggregating to ₹100 Crore.
- Private Placement of 8.94% Unsecured Redeemable Non Convertible Subordinated Tier-II Bonds in the nature of Debentures (Series -1) of ₹5 lakh each for cash at par aggregating to ₹100 Crore.
- Private Placement of 8.80% Secured Redeemable Non Convertible Taxable Debentures (Series -2) of ₹5 lakh each for cash at par aggregating to ₹100 Crore.
- Passed Ordinary / Special Resolutions for approval of the following events:

1. Acceptance of Deposits from Public
2. Increase in the Borrowing Powers of the Board from ₹10000 Cr (Rupees Ten Thousand Crore) to ₹12000 Cr (Rupees Twelve Thousand Crore)
3. Authorisation to the Board for Mortgaging / Charging all or any assets of the Company and Further Issue Covenants for negative pledges or lien etc.
4. Offer or Invitation for subscription for Non Convertible Debentures aggregating to ₹2500 Crore on Private Placement basis – Special Resolution.
5. Offer or Invitation for subscription for Tier-II Bonds subordinated aggregating to ₹300 Crore on Private Placement basis.

- The Company obtained sanction for fresh refinance limit of ₹1000 Crore from National Housing Bank as per Board Resolution passed at the meeting held on 22nd September 2014.

For S Kedarnath & Associates
Company Secretaries

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

Place : Bengaluru
Date : 29/05/15

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

Annexure to Secretarial Audit Report

The Members,
CAN FIN HOMES LIMITED,
Bangalore. 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 of the Company including applicable laws of branch office in India.
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 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 : 29/05/15

Annexure 3

(Form No. MGT-9)

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015

[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	29/10/1987
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 23469664/65 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	NA – Housing	88.66%
2.	Non housing	Finance	11.34%

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
1.	Not Applicable				
2.					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders		No. of Shares held at the beginning of the year – 31/03/14				No. of Shares held at the end of the year 31/03/15				% Change during The year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
1)	**Indian**									
a)	Individual/ HUF	--	--	--	--	--	--	--	--	--
a)	CentralGovt	--	--	--	--	--	--	--	--	--
b)	State Govt(s)	--	--	--	--	--	--	--	--	--
c)	Bodies Corp	--	--	--	--	--	--	--	--	--
d)	Banks / FI	8681808	--	8681808	42.38	11572927	--	11572927	43.47	1.09
e)	Any Other	--	--	--	--	--	--	--	--	--
	Sub-total(A)(1):-	**8681808**	**--**	**8681808**	**42.38**	**11572927**	**--**	**11572927**	**43.47**	**1.09**
2)	**Foreign**	--	--	--	--	--	--	--	--	--
f)	NRIs-Individuals	--	--	--	--	--	--	--	--	--
g)	Other-Individuals	--	--	--	--	--	--	--	--	--
h)	Bodies Corp.	--	--	--	--	--	--	--	--	--
i)	Banks / FI	--	--	--	--	--	--	--	--	--
j)	Any Other….	--	--	--	--	--	--	--	--	--
	Sub-total (A) (2):-	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
A.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	162	200	362		148147	200	148347	0.56	0.56
b)	Banks / FI	2231	--	2231	0.01	40765	--	40765	0.15	0.14
c)	Central Govt	--	--	--	--	--	--	--	--	--
d)	State Govt(s)	--	--	--	--	--	--	--	--	--
e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
f)	Insurance Companies	50201	--	50201	0.25	--	--	--	--	-0.25
g)	FIIs	124100	--	124100	0.61	22200	--	22200	0.08	-0.53
h)	Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i)	Others (specify)									
	(i) Foreign Financial Institutions	--	2500	2500	0.01	--	2500	2500	0.01	--
	Sub-total (B) (1)	**176694**	**2700**	**179394**	**0.88**	**211112**	**2700**	**213812**	**0.80**	**-0.08**
2.	**Non Institutions**									
a)	**Bodies Corp.** (i) Indian (ii) Overseas	5548101	10100	5558201	27.13	7086605	10400	7097005	26.66	-0.47
b)	**Individuals**									
	(i) Individual shareholders holding nominal share capital upto ₹1 lakh	3354905	1053314	4408219	21.52	4316309	996265	5312574	19.96	-1.56

Category of Shareholders		No. of Shares held at the beginning of the year – 31/03/14				No. of Shares held at the end of the year 31/03/15				% Change during The year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1304551	--	1304551	6.37	1920868	--	1920868	7.22	0.85
c)	**Qualified** Foreign Investor	5800	--	5800	0.03	--	--	--	--	-0.03
d)	Others (Specify)									
	i) Non-Resident Indians	100982	1700	102682	0.50	227375	1700	229075	0.86	0.36
	ii) Clearing Members	23567	--	23567	0.12	45173	--	45173	0.17	0.05
	iii) Hindu Undivided Families	214683	--	214683	1.05	191054	--	191054	0.72	-0.33
	iv) Employee Shareholders	1445	4200	5645	0.03	1623	4637	6260	0.02	-0.01
	v) Director & their relatives	400	--	400		520	--	520	--	--
	vi) Custodian	300	--	300	0.00	-	--	--	--	--
	vii) Trusts	---	---	---	---	30974	--	30974	0.12	0.12
	Sub-total(B)(2)	10554734	1069314	11624048	56.74	13820501	1013002	14833503	55.73	-1.02
	Total Public Shareholding (B)=(B)(1)+(B)(2)	10731428	1072014	11803442	57.62	14031613	1015702	15047315	56.53	-1.09
C.	Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	Grand Total (A+B+C)	19413236	1072014	20485250	100.00	25604540	1015702	26620242	100.00	--

i. 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	8681808	42.38	--	11572927	43.47	--	1.09
	Total							

ii. **Change in Promoters' Shareholding** (please specify, if there is no change)

Sr. No		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	8681808	42.38	8681808	42.38
	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): 09/03/15 – Rights Issue	2891119	--	11572927	43.47
	At the End of the year	11572927	43.47	11572927	43.47

P.S: The percentage of shareholding is calculated on the paid-up share capital/No. of shares offered under Rights Issue as on the respective dates.

iii. **Shareholding pattern of top ten shareholders**
(other than Directors, Promoters, Holders of GDRs and ADRs)

Sr. No		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.	Chhattisgarh Investments Ltd.				
	At the beginning of the year	2881906	14.07	2881906	14.07
	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): 09/03/15 – Rights Issue	931100		3813006	14.33
	At the End of the year	3813006	14.33	3813006	14.33
2	Mushin Infrastructure Pvt.Ltd.				
	At the beginning of the year	616233	3.01	616233	3.01
	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): 09/03/15 – Rights Issue	200000		816233	3.07
	At the End of the year	816233	3.07	816233	3.07
3	Catamaran Management Services P.Ltd.				
	At the beginning of the year	610132	2.98	610132	2.98
	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): 09/03/15 – Rights Issue	217758		827890	3.11
	At the End of the year	827890	3.11	827890	3.11
4	Nitin Raojibhai Desai				
	At the beginning of the year	334100	1.63	334100	1.63
	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): 09/03/15 – Rights Issue	111301		445401	1.67
	At the End of the year	445401	1.67	445401	1.67

Sr. No		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	Vayudoot Commercial Pvt.Ltd.				
	At the beginning of the year	317345	1.55	317345	1.55
	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): 09/03/15 – Rights Issue	226299		91046	0.34
	At the End of the year	91046	0.34	91046	0.34
6	Meena Rajanikanth Sheth				
	At the beginning of the year	139488	0.68	139488	0.68
	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): 09/03/15 – Rights Issue	10512		150000	0.56
	At the End of the year	150000	0.56	150000	0.56
7	Jasubhai Haribhai Desai				
	At the beginning of the year	97600	0.48	97600	0.48
	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): 09/03/15 – Rights Issue	32514		130114	0.49
	At the End of the year	130114	0.49	130114	0.49
8	Sundaram Mutual Fund				
	At the beginning of the year	0	0	0	0
	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): Purchase upto Rights Issue date	86423	0.42	86423	0.43
	09/03/15 – Rights Issue	28519		114942	0.43
	At the End of the year	114942	0.43	114942	0.43
9	Vikas Vijayakumar Khemani				
	At the beginning of the year	0	0	0	0
	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): Purchase upto Rights Issue date	67500	0.33	67500	0.33
	09/03/15 – Rights Issue	20250		87750	0.33
	At the End of the year	87750	0.33	87750	0.33

Sr. No		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
10	Ranjeet Singh Sibia				
	At the beginning of the year	55000	0.27	55000	0.27
	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): 09/03/15 – Rights Issue	30000		85000	0.05
	At the End of the year	85000	0.32	85000	0.32
11	Blue Diamond Infrastructure & Reality Pvt. Ltd.				
	At the beginning of the year	60403	0.29	60403	0.29
	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): 09/03/15 – Rights Issue	20000		80403	0.30
	At the End of the year	80403	0.30	80403	0.30
12	Goldenlife Financial Services Ltd.				
	At the beginning of the year	330356	1.61	330356	1.61
	Decrease - June 2014	3500	0.01	326856	1.60
	Decrease - September 2014	10000	0.05	316856	1.55
	Decrease - December 2014	194839	0.95	122017	0.60
	Decrease - March 2015	90509	0.34	31508	0.24
	Increase - March 2015 - Rights Issue	34992		66500	0.25
	At the End of the year	66500	0.25	66500	0.25

P.S: The percentage of shareholding is calculated on the number of paid-up shares as on the respective dates.

v. Shareholding of Directors and Key Managerial Personnel

Sr. No		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	Shri. P.B.Santhanakrishnan, Director				
	At the beginning of the year	400	0.002	400	0.002
	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): 09/03/15 – Rights Issue	120	–	520	0.002
	At the End of the year	520	0.002	520	0.002

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	50997781530	0	1687432055	52685213585
interest due but not paid	0	0	0	0
Interest accrued but not due for payment	759650698		0	759650698
TOTAL	**51757432228**	**0**	**1687432055**	**53444864283**
Change in indebtedness				
Addition	31309000000	28529146849	1536588174	61374735023
Reduction	22187579130	17750000000	1003452100	40941031230
Net Change	9121420870	10779146849	533136074	20433703793
Closing Balance				
principal	60774557814	10750000000	2220568129	73745125943
interest due but not paid	0	0	0	0
Interest accrued but not due for payment	104295284	29146849	0	133442133
Total	**60878853098**	**10779146849**	**2220568129**	**73878568076**

vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of Managing Director		Total Amount
		Shri C.Ilango	Shri K. K. Deb (ex MD)	
1	Gross Salary	–		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1389817	–	1389817
	(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, specify	–	–	–
5	Others, Please specify incentive	677217	76000	753217
	Total (A)	2067034	76000	2143034
	Ceiling as per the Act			

P.S: Re-imbursement of salary to Canara Bank for the year ended 31/03/15

Incentive pertaining to years 2011-12 to 2013-14 paid during 2014-15.

B. Remuneration to other Directors

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Directors					Total Amount
	Independent Directors	S R Iyer	KN Prithviraj	K R Vijayendra	P B Santhanakrishnan	T V Rao	
	- Fee for attending board committee meetings	30000	150000	180000	200000	245000	805000
	- Commission	0	0	0	0	0	0
	- Others, please specify	0	0	0	0	0	0
	Total (1)	30000	150000	180000	200000	245000	805000
	Other Non-Executive Directors	S A Kadur*	P V Bharathi*				
	- Fee for attending board committee meetings	150000	100000	--	--	--	250000*
	- Commission	0	0	--	--	--	--
	- Others, please specify	0	0	--	--	--	--
	Total (2)	150000	100000	--	--	--	250000
	Total (B)=(1+2)	180000	250000	180000	200000	245000	1055000
	Total Managerial Remuneration	--	--	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--	--	--

* Sitting fee paid to Canara Bank

C. Remuneration to Key Managerial Personnel

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of the Key Management Personnel		
		K S Sathyaprakash	Atanu Bagchi	Total
1	Gross Salary	1020995	1148103	2169098
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	550	73660	74210
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act,1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as% of profit - others, specify	0	0	0
5	Others, Please specify	0	0	0
	Total (A)	1021545	1221763	2243308
	Ceiling as per the Act			

viii. Penalties/Punishment/Compounding of offences:

There were no penalties/ punishments/compounding of offences for the year ending March 31, 2015

Annexure 4

(Form No. 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, 2015, 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, 2015 are as follows:

(in ₹ crore)

Nature of Contract	Nature of relationship	Date of Sanction	Tenure (years)	Salient Terms	Outstanding Amount	Interest Paid
1) Loans from Canara Bank						
Term Loan 3839	Sponsor Bank	22/08/08	12	TL at base rate	8.20	1.49
Term Loan 3319	Sponsor Bank	12/07/01	15	TL at base rate	9.90	1.29
Term Loan 5081	Sponsor Bank	15/06/05	10	TL at base rate	20.00	3.17
Term Loan 5082	Sponsor Bank	15/06/05	10	TL at base rate	20.00	3.17
Term Loan 4999	Sponsor Bank	14/02/06	10	TL at base rate	15.06	3.33
Term Loan 5073	Sponsor Bank	25/05/06	10	TL at base rate	30.00	6.69
Term Loan 5075	Sponsor Bank	12/10/06	10	TL at base rate	28.45	4.26
Term Loan 50	Sponsor Bank	05/01/09	10	TL at base rate	40.00	5.29
Term Loan 57	Sponsor Bank	25/08/09	10	TL at base rate	60.00	8.33
Term Loan 63	Sponsor Bank	24/03/10	10	TL at base rate	75.00	9.46
Term Loan 66	Sponsor Bank	26/11/10	10	TL at base rate	119.99	13.41
Term Loan 72	Sponsor Bank	17/06/11	10	TL at base rate	119.99	14.66
Term Loan 76	Sponsor Bank	01/10/11	10	TL at base rate	139.99	15.49
Term Loan 81	Sponsor Bank	15/03/12	10	TL at base rate	139.99	16.21
Term Loan 85	Sponsor Bank	24/07/12	10	TL at base rate	315.00	38.01
Term Loan 88	Sponsor Bank	13/06/13	10	TL at base rate	159.99	18.76
Term Loan 90	Sponsor Bank	25/07/13	10	TL at base rate	80.00	10.09
Term Loan 98	Sponsor Bank	26/11/13	10	TL at base rate	500.00	46.32
Term Loan 111	Sponsor Bank	30/09/14	10	TL at base rate	20.00	1.02
2) Working Capital from Canara Bank	Sponsor Bank	28/03/14	1 year	Over Draft facility	319.01	14.12

(in ₹ crore)

Nature of Contract	Nature of relationship	Date of Deposit	Tenure (years)	Salient Terms	Outstanding Amount
1)Deposit with Canara Bank					
0684302000216/19	Sponsor Bank	28/03/15	1	Fixed Deposit at 9.05%	0.40
0684302000216/13	Sponsor Bank	21/08/15	1	Fixed Deposit at 9.05%	0.50
0684302000216/14	Sponsor Bank	21/08/15	1	Fixed Deposit at 9.05%	0.50
2673302000149/2	Sponsor Bank	28/01/15	1	Fixed Deposit at 9.05%	0.70
0684302000216/10	Sponsor Bank	28/06/14	1	Fixed Deposit at 9.05%	0.20
0684302000216/11	Sponsor Bank	03/07/14	1	Fixed Deposit at 9.05%	0.50
0684302000216/12	Sponsor Bank	03/07/14	1	Fixed Deposit at 9.00%	0.50
0684302000216/17	Sponsor Bank	25/02/15	1	Fixed Deposit at 8.80%	0.55
0684302000216/20	Sponsor Bank	31/03/15	1	Fixed Deposit at 8.80%	0.75
2) Total Interest earned on Canara Bank Deposit					0.48

(in ₹ crore)

Nature of Contract	Nature of relationship	Duration of Contract	Salient Terms	Outstanding Amount (in ₹ crore)
Rent paid to Canara Bank	Sponsor Bank	On going	Rent for Premises of Branches at Noida, Chennai, New Delhi and Mangalore	0.37
Bank charges paid to Canara Bank	Sponsor Bank	On going	As per norms	0.27
Salary of Managing Director paid to Canara Bank	Sponsor Bank	Since 29.04.11	As per norms	0.22
Other payments to Canara Bank	Sponsor Bank	One time	As per IPA Agreement for issue of Commercial Paper	0.05
Rent received from Canara Bank	Sponsor Bank	On going	Flat at Pune given on Rent to Canara Bank	0.02
Guarantee in respect of Rights issue to BSE paid to Canara Bank	Sponsor Bank	One time	As per the Guarantee letter	1.38
Registrar & Transfer Agency charges paid to Canbank Computer Services Ltd	Subsidiary of Sponsor Bank	3 years	As per the R&T agreement	0.06
Arrangers fees for Secured Redeemable Non Convertible Taxable Debentures paid to Axis Bank	Director of our Company also Director at Axis Bank	One time	As per the terms and conditions of the NCD issue.	0.01

Appropriate approvals have been taken for related party transactions. Advances paid have been adjusted against billings wherever applicable.

Bangalore
May 04, 2015

Sd/-
Atanu Bagchi
Asst.General Manager & CFO

Sd/-
C Ilango
Managing Director

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 CSR Committee comprised of:

Mr.K.N.Prithviraj – Chairman

Mr.C.Ilango – Member

Mr.P.B.Santhanakrishnan – Member

The CSR Policy of the Company had been drafted/ deliberated CSR Committee in its meeting on 19/01/15 and recommended to Board for approval. The same has been approved by Board in its meeting on 20/01/15 and now the policy is displayed in our Company's website.

The average net profit of the Company for the last three years is:

Financial Year		₹ in Crores
a	Net Profit before Tax for 2013-14	106.65
b	Net Profit before Tax for 2012-13	75.10
c	Net Profit before Tax for 2011-12	60.98
d	Total	242.73
e	Average Net Profit (before Tax) for three years	80.91
f	Budgeted CSR amount 2% of (e) above	1.62

Details of budgeted CSR spent during the financial year:

a) Total amount to be spent for the financial year : ₹1.62 crore

b) Amount unspent : ₹1.59 crore

c) Manner in which the amount spent during the financial year:

Branch	Amount (₹)	Activity
Salem	38,095/-	Towards providing chairs, fans & water purifier to Panchayat Union Primary School, Rakkipatti, Salem.
Madurai	62,250/-	Towards providing chairs & tables to Govt. Girls Higher Secondary School, Melur.
BLR-K R Puram	22,155/-	Towards providing Projector to Govt. Higher Primary School, Nanjaigarahalli, Gowribidanur Taluk, Chikkaballapur.
NCR-Greater Noida	15,309/-	Towards providing Note Books to poor students of Govt. School, Aicher Village, Greater Noida, U.P.
Trichy	75,000/-	Towards providing Steel Bench, Plain Table, Chair & Work Table to Govt. Higher Secondary School, Thiruvasi.
Karur	97,580/-	Towards providing Tables, Chairs, Pedestal, Fans, Round Table with chair to Union Primary School

For want of granular details/ interpretation of relevant covenants of Companies Act, regarding the manner/ activities for spending as well as due to time constraints, the entire amount was not spent during the year. However, the Company is committed to spend the funds for these purposes during the current year.

The unspent amount has been carried forward to the next financial year as per provisions of Companies Act 2013 and the Committee is in the process of identifying appropriate projects for the same.

The implementation and monitoring of the CSR Policy is in compliance with CSR objects and Policy of the Company and will be reviewed by CSR Committee and Board at periodical intervals.

	Sd/-	Sd/-	Sd/-
Date: 04/05/15	**C.Ilango**	**P.B.Santhanakrishnan**	**K.N.Prithviraj**
Place: Bangalore	*Managing Director*	*Member-CSR Committee*	*Chairman*

Annexure 6

CEO CERTIFICATE ON AFFIRMATION OF CODE OF CONDUCT

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

Registered Office
No. 29/1, 1st Floor, M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi, Bangalore - 560 004
Tel: 080 26565736,080 26564259 • Fax: 080 26565746
E-mail :sathyaprakash@canfinhomes.com • Web: www.canfinhomes.com
CIN: L85110KA1987PLC008699

The Board of Directors,
Can Fin Homes Ltd.
Bangalore

Dear members of the Board,

Sub: Corporate Governance in listed companies – Clause 49(II) of the Listing Agreement – CEO certification for the year ended 31/03/15 – Code of Conduct

We, C. Ilango, Managing Director & Chief Executive Officer and K.S.Sathyaprakash, Deputy General Manger (Board Secretariat Department & Taxation Department) of Can Fin Homes Ltd., hereby declare that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year covered in this report.

	Sd/-	Sd/-
Bangalore	**K.S.Sathyaprakash**	**C.Ilango**
May 04, 2015	*Dy. General Manager*	*Managing Director & CEO*

REPORT OF THE 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 and 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.

1. Corporate Governance at CFHL

The Company appreciates, understands, respects, accepts and follows the concept of good corporate governance. The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosure requirements mentioned in Clause 49 of the Listing Agreement with stock exchanges and looks at corporate governance as a part of its business.

The Company's corporate governance philosophy encompasses not only compliance with regulatory and statutory requirements but also business ethics, effective supervision and enhancement of value for all stakeholders.

The corporate governance policy of your Company has laid emphasis on transparency, accountability, integrity, responsibility and value creation and the Company has been adhering to the policy over the years. Your Company has a strong commitment to 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. Since inception, over the past 27 years, the Company has put in place the best practices for the timely and accurate disclosure of information on Company's financials, performance, governance and other related matters.

Your Company has been responsive to its stakeholders, customers, government and non-government bodies, employees at all levels and all others with whom it has business relations. Your Company has built confidence amongst the stakeholders all these years by adherence to standards and 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 directors are pleased to present below a report on the Corporate Governance practices followed in CFHL.

2. Board of Directors

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 and persons of eminence with vast experience in the fields of banking, housing, finance, audit, management, law and other relevant areas. The Board fulfils its key functions like reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation of corporate performance and overseeing capital expenditures, etc. The Board also monitors the effectiveness of the Companies governance practices, succession plan, etc.

The Board effectively carries out its responsibilities like providing strategic guidance to the Company, code of conduct for the executives, etc. and the Board applies high ethical standards and acts with due diligence, care and in the best interest of the Company and its stakeholders.

3. Composition

Sl. No.	Name of the Director	Age	DIN	Executive/Non-Executive Category
1	Shri K.N. Prithviraj, Chairman	67	00115317	Non-Executive Independent from 04/06/14
2	Shri C. Ilango, Managing Director	58	03498879	Executive Promoter Director
3	Shri P.B. Santhanakrishnan, FCA	62	03213653	Non-Executive Independent
4	Shri S.A. Kadur	56	06426095	Non-Executive Promoter
5	Shri T.V. Rao	62	05273533	Non-Executive Independent
6	Smt P.V. Bharathi	55	06519925	Non-Executive Promoter from 22/09/14
7	Shri S.R. Iyer, Chairman	75	00580437	Non-Executive Independent Resigned on 27/06/2014
8	Shri K.R. Vijayendra	65	01279290	Non-Executive Independent Resigned on 30/03/2015

As of date, the Board consists of 6 members, one of them is the Managing Director and two of them (4&6) are Promoter Directors (one of whom is an Additional Director) and rest are Independent Directors. The Chairman of the Board is a non-executive Chairman.

4. 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 benefit 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.

None of the Independent Directors are promoters of the Company or its holding, subsidiary or associate company nor are they related to each other. None of the Independent Directors are related to promoters of the Company or others referred to above. The Independent Directors, apart from receiving the sitting fee, had no material pecuniary relationship with the Company/associates/promoters/directors during the two immediately preceding financial years/the current financial year. They are independent of management and free from any business or pecuniary relationship or transaction with the Company or associates or Directors or such other relationships which could materially interfere with the exercise of their independent judgement.

The Independent Directors have given a declaration to the Company confirming adherence to the code of conduct/criteria of independence as required under the revised Clause 49 of the listing agreements and also the provisions of Companies Act, 2013 (the Act) and related rules and Schedule IV of the said Act.

The Company has issued formal letters of appointment to the Independent Directors and the terms and conditions of appointment have been disclosed on the website of the Company. 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 Director, etc. are rated by all the Directors (excluding the Director being evaluated).

The Independent Directors informed the Board that a meeting of the Independent Directors was held on 09/03/15 and certain important aspects of the new Companies Act, 2013 were discussed. It was also discussed that the above meeting was held for the first time and the matters to be discussed at such meetings would be structured at the next meeting.

The Company has in place a 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. and the said policy is placed on the website of the Company at the link https://www.canfinhomes.com.

The composition of the Board is in conformity with Clause 49(II)(A) of the listing agreement(s) with stock exchange(s).

The Non-Executive Directors are eligible to get sitting fees for attending the meetings of the Board and Committees, well within the limits prescribed under the Companies Act, 2013. The quantum of fee has been approved by the Board of Directors.

The Board of Directors of your Company met 8 times during the year 2014-15. The details of the Board of Directors in terms of their directorships held, number of meetings attended during their tenure/upto 31/03/2015, sitting fee paid, their memberships/Chairmanships and attendance at the AGM are as under:

Name of the Director	Directorships held including at CFHL	Board Meetings Attended/ held during their tenure in CFHL	Sitting Fee Paid (₹)	Membership of Board Committees including CFHL**	Chairman of Board Committees including CFHL**	Attendance at the last AGM held on 30/07/2014
Shri C. Ilango Managing Director	1	8/8	NA	4	1	Attended
Shri P.B. Santhanakrishnan	3	8/8	150000	4	1	Attended
Shri S.A. Kadur	1	6/8	110000*	2	---	Attended
Shri T.V. Rao	8	7/8	130000	13	3	Attended
Shri K.N. Prithviraj	8	7/7	140000	12	3	Attended
Smt. P V Bharathi (w.e.f. 22/09/14)	4	4/5	80000*	2	1	-NA-
Shri S.R. Iyer, Chairman (Upto 27/06/14)	13	2/2	30000	13	8	-NA-
Shri K.R. Vijayendra (Upto 30/03/15)	2	5/8	90000	5	1	Attended

*Sitting fee paid to Canara Bank

** For the purpose of computation of the limits prescribed under Clause 49 of the listing agreement(s), Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee shall alone be considered.

Membership/Chairmanship of Board Committees held by the Directors are in conformity with the revised Clause 49(II)(D) of listing agreement(s).

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 non-compliances, if any.

5. Appointment of Directors

(a) During the year under review, the Board of Directors appointed Smt. P.V. Bharathi, General Manager, Canara Bank, as an Additional Director on the Board of the Company w.e.f. September 22, 2014 in terms of Section 149(1) and all other applicable provisions of Companies Act, 2013 and revised Clause 49 of the listing agreement(s) with stock exchanges. The above appointment was as per the recommendation of the Nomination and Remuneration Committee of Directors of the Company.

Smt. P.V. Bharathi is a Post Graduate in Arts (M.A.) and a Certified Associates of Indian Institute of Bankers (CAIIB). Smt. P.V. Bharathi has more than 31 years of experience in the banking industry. Presently, Smt. Bharathi is the General Manager, Canara Bank, Head Office, Bengaluru. Smt. P.V. Bharathi is also on the Boards of Canbank Venture Capital Fund Ltd., Cordex India P. Ltd. and Canara HSBC Life Insurance Co. Ltd. as a nominee Director.

Further particulars relating to Smt. P.V. Bharathi are provided in the explanatory statement on the related agenda, forming part of the notice of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 161 and all other applicable provisions, if any, of Companies Act, 2013 and Article 22 of the Articles of Association of the Company, Smt. P.V. Bharathi, Additional Director, holds office as such only upto the date of the ensuing Annual General Meeting. The subject of the appointment of Smt. P.V. Bharathi along with the required explanatory statement and the resolution is included in the notice convening the ensuing Annual General Meeting. The appointment of the above Director is in the best interests of the Company.

(b) Shri P.B. Santhanakrishnan, FCA, has been appointed on the Board of the Company with effect from February 16, 2012 as an Independent Director pursuant to Clause 49 of the listing agreement and the applicable provisions of the erstwhile Companies Act, 1956, whose period in office is liable to determination by retirement of Directors by rotation under Section 152(6) and all other applicable provisions, if any, of the Act.

The Board of Directors have appointed Shri P.B. Santhanakrishnan, FCA, with effect from March 30, 2015, as an Independent Director under Section 149 and 152 and

any 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 P.B. Santhanakrishnan is a graduate in Science and a Fellow of the Institute of Chartered Accountants of India (ICAI). He is a senior partner of M/s P.B. Vijayaraghavan & Co., Chartered Accountants, based in Chennai. He has wide experience in audit spanning corporate and non-corporate entities, including PSUs, public Sector banks and insurance companies. He is also tax consultant and representation before SEBI/SAT/CBDT & ITAT on corporate and income tax matters. He is a former member of the RBI Committee on RTGS. He has held various positions in other organisations and has an experience of about 34 years in the profession. Shri P.B. Santhanakrishnan, FCA, has been the Chairman of the Audit Committee since June 04, 2014.

Since the appointment of an Independent Director shall be made by the Company in General Meeting, the further particulars relating to Shri P.B. Santhanakrishnan are provided in the explanatory statement on the related agenda, forming part of the notice of the ensuing Annual General Meeting. The appointment of the above Director is in the best interests of the Company.

6. Tenure of office

In terms of the provisions of Section 152(6) the Act, not less than 2/3rd of the Non-Executive Directors of the Company shall be persons whose period of office is liable to retire by rotation and 1/3rd of such Directors shall retire from office at every Annual General Meeting and, if eligible, may seek re-appointment at the Annual General Meeting. In terms of Section 152(6) of the Companies Act, 2013, read with explanation to the said sub-section the Independent Directors appointed as such under the Companies Act, 2013, shall not be included for `total number of directors' w.e.f. April 01, 2014.

Re-appointment of Director(s)

Pursuant to the applicable provisions of the Companies Act, 2013, Shri S.A. Kadur, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Shri S.A. Kadur is a B.E. (Mechanical Engineering), started his career as a Technical Field Officer in Canara Bank in February 1984. During his service in the bank over a period of 31 years, he has served in different branches of the Bank, including Prime Corporate Branch at Pune and Chennai, Mumbai City Circle Office, Corporate Merchant Banking Division, Mumbai and Risk Management Wing at the Head Office. He is presently working as the General Manager, Corporate Credit Wing, Head Office, Bengaluru.

Your Directors recommend the re-appointment of Shri S.A. Kadur as a Director of the Company. The related resolution on the subject is included in the notice convening the ensuing Annual General Meeting.

7. Resignation

Shri S.R. Iyer, an Independent Director and Chairman, resigned as a Director w.e.f. 27/06/14 and Shri K.R. Vijayendra, an Independent Director, resigned as a Director with effect from 30/03/2015. However, the Company fulfils the requirement of Independent Directors in the Board even after the said resignations.

8. Responsibilities

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, monitoring strategic investments and safeguarding the interests of all stakeholders.

The Board provides the management with guidance and strategic direction on behalf of the shareholders, in optimising long-term value. The Board discharges the duties and responsibilities as required under the various statutes as are applicable to the Company viz., the Companies Act, 1956/2013, Directions/Guidelines/Regulations issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB) and various Statutory and Regulatory Authorities, Listing Agreements, including reporting and disclosures to be made to the shareholders.

The Board has empowered responsible persons 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 Policy, Related Party Transaction Policy, Code of Fair disclosure, Familiarization policy, Corporate Governance Policy, Whistle blower policy, Code of conduct for Directors/ Independent Directors are displayed on the Company's official website.

9. Meetings of Board of Directors

The meetings of the Board are normally held at the Registered Office of the Company in Bengaluru. The meetings are scheduled well in advance and the dates of subsequent meeting(s) are decided at the on-going meeting(s) of the Board. A notice in advance for each of such meetings is given in writing to the Directors.

The Board meets at least once 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 address the specific exigencies of the Company.

The Company Secretary, in consultation with the Chairman and the Managing Director, prepares a detailed agenda for the meetings. The Board is provided with the relevant information as stipulated in Clause 49 of the listing agreements and has access to all information of the Company. The agenda, Board notes, including explanatory notes are circulated to all the directors well in advance. The members of the Board are also free to recommend inclusion of any matter in the agenda for discussion.

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 minutes of each Board meeting is recorded in the Minutes Book and tabled at the next meeting of the Board for confirmation. The decisions taken on each of the agenda at the Board meetings are promptly communicated to the concerned departments. The Action Taken Report (ATR) on the decisions/ minutes of the previous meeting is placed at the succeeding meeting of the Board for a review/noting. A similar procedure is followed for each meeting of the Board committees.

The Board of Directors of your Company met 8 times during the year 2014-15 - April 26, 2014, June 04, 2014, July 24, 2014, September 22, 2014, November 12, 2014, January 12, 2015, January 20, 2015 and March 9, 2015.

The Board met on May 04, 2015 to approve the annual audited financial results of the Company for the year ended March 31, 2015.

10. Code of Conduct

The Company has framed and adopted a Code of Conduct for its Directors and senior management personnel, duly approved by the Board. For the year under review, all the Directors and senior management personnel have affirmed compliance with the provisions of the said Code. A declaration from the Managing Director/CEO of the Company in terms of Clause 49(II)(E) is placed at the end of this report. The above annual affirmations are placed before the Board for information.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013 w.e.f. April 01, 2014, the Board has adopted the said Code and all the Independent Directors have affirmed that they abide by the said Code.

11. Whistle Blower Policy/Vigil Mechanism

The Company has established a Whistle Blower Policy/vigil mechanism for the Directors and employees 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 that regard has been sent to all the employees of the Company and reiterated during the Branch Managers' Conference, training programmes and by circulars. The Company affirms that the mechanism provides adequate safeguards against victimisation of Director(s)/employee(s) who use the mechanism and also provides for direct access to the Chairman of the Audit Committee.

The details of establishment of the mechanism have been disclosed by the Company on its website.

12. Committees of the Board

The Board has constituted six Committees as of date viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Management 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 in the next meeting for confirmation and placed before the Board for noting/information.

13. Audit Committee of the Board (ACB)

The qualified and independent audit committee of the Board has been exercising its powers and responsibilities judiciously. The Committee has three experienced and learned members and two members including the Chairman of the Committee are Independent Directors.

The terms of reference of the committee inter-alia include the oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statements are correct, sufficient and credible, recommendation for appointment, remuneration and terms of appointment/re-appointment/removal of statutory/external/internal auditors of the Company and the payments to the auditors for their services, review with the management, the quarterly and the annual financial statements and limited review/auditor reports thereon, in particular the matters required to be included in the Director's Responsibility Statement, changes in the accounting policies, if any, and reasons for the same, major accounting entries/significant adjustments, if any, compliances with statutory/regulatory/listing agreement requirements, review and disclosure of related party transactions etc. and submission of the annual financial statements with recommendations for approval by the Board.

The Audit Committee also reviews with the management, the

statement of uses/application of funds raised (Rights Issue) to ensure that the funds are utilised for the purpose stated in the Letter of Offer. The Committee also monitors the auditor's independence and performance and effectiveness of audit process, approval of related party transactions and subsequent modifications, if any, scrutiny of inter-corporate loans and investments, valuations, if any, evaluation of internal financial controls and risk management policies and systems, position of asset-liability management monitoring the end use of funds raised and other such related matters to be included in the Directors' Responsibility Statement, etc.

The Committee also reviews the adequacy of the internal control systems, internal audit function, structure of the internal audit department, seniority of the official heading the department, staffing, reporting structure and process, audit coverage and frequency of internal audits and on matters including KYC, internal controls, internal investigations, if any, by internal auditors on any specific matters relating to suspected fraud or irregularity or failure of internal control systems of material nature and report the same to the Board.

The Committee also holds pre- and post-audit discussion with the statutory auditors about the nature and scope of audit and audit observations/areas of concern/reasons for defaults, if any. In addition, the committee annually reviews the performance of the internal and statutory auditors, their appointment/removal/terms of remuneration, the functioning of the Whistle Blower mechanism, management discussions and analysis of financial conditions and results of operations, statement of the significant related party transactions as submitted by management, reports on internal control weaknesses, if any.

It is the prerogative of the Committee to invite executives and auditors of the Company to be present at the meetings to provide additional inputs/clarifications on the subject being discussed by the Committee.

During the year the Audit Committee met 4 times - on April 25, 2014, July 23, 2014, November 11, 2014 and January 19, 2015. 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 held	Number of meetings attended/held during the tenure of the member	Sitting Fee	Paid, Fees paid (₹)
Shri K R Vijayendra	4	1/4	5,000	
Shri P B Santhanakrishnan, FCA, Chairman (w.e.f.04/06/14)	4	4/4	35,000	
Shri SA Kadur	4	2/4	20,000*	
Shri T V Rao	4	3/4	30,000	

* Sitting Fee paid to Canara Bank

Presently, Shri P.B. Santhanakrishnan is the Chairman of the Audit Committee.
The Chairman of the committee was present at the 27thAnnual General Meeting of the Company to answer shareholder queries.
The Company Secretary is the Secretary to the Audit Committee.

14. Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee constituted by the Board comprise three Non-Executive directors and two of the members, including the Chairman, are Independent Directors. The Board has authorised the Committee with clear roles and responsibilities in terms of the provisions of the Act and rules made thereunder and also with those set out in the listing agreement. 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, senior management, recommending to the Board their appointment/removal, and also the remuneration policy.

Nomination policy, among other things, includes:

i) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who are qualified to become Directors of the Company, including Board Diversity.

ii) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who may be appointed in Senior Management of the company.

iii) Formulation of criteria for determining qualifications, positive attributes and independence of a Director.

iv) Evaluation of every Director's performance by Nomination and Remuneration committee.

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 (SMP) in the form of incentives, performance-based incentives, by any name like cash incentive, employee stock option scheme, ex-gratia, etc. which are variable in nature, subject to statutory guidelines and staff Regulations/ HR policies approved by the Board.

During the year, the Nomination and Remuneration Committee met on September 17, 2014. The particulars of the 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 held	No.of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Shri K R Vijayendra, Chairman (upto 04/06/14)	1	1/1	10.000
Shri S A Kadur	1	1/1	10,000*
Shri T V Rao	1	1/1	10,000

* Sitting Fee paid to Canara Bank

Presently, the committee comprise Shri T.V.Rao as the Chairman Smt. P.V. Bharati and Shri P.B. Santhanakrishnan as members of the Nomination and Remuneration Committee.

15. Management Committee (MC)

This Committee considers 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 December 15, 2014. 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 held	No. of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Shri C Ilango, Managing Director and Chairman	1	1/1	Nil
Shri K R Vijayendra	1	1/1	10,000
Shri SA Kadur	1	1/1	10,000*

* Sitting Fee paid to Canara Bank

The Company Secretary is the Secretary to the Management Committee.

16. Stakeholders' Relationship Committee (SRC)

The terms of reference of the committee inter alia include review mechanism adopted by the Company for redressing the shareholders complaints and review of the status of complaints of the stakeholders, if any.

This Committee reviews/approves processes, standard operating procedures and initiatives undertaken by the Company relating to investor service, compliances with requirements related to listing agreements 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 shareholders, compliance with the applicable provisions of the Companies Act, 2013 and various other statutes.

During the year, the Stakeholders Relationship Committee met 4 times, viz. April 26 2014, July 24 2014, November 11 2014 and January 19 2015. 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 held	No. of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Shri P.B. Santhanakrishnan (Chairman upto 04/06/14)	4	1/1	5,000
Shri T V Rao Chairman w.e.f. 04/06/14	4	4/4	35,000
Shri C Ilango, Managing Director	4	4/4	NIL
Shri K R Vijayendra (up to 04/05/15)	4	2/4	20,000

The Company Secretary is the Secretary to the Committee.

There were 6 Complaints received from the shareholders during the year through SEBI Scores and though all the complaints are resolved and Action Taken Reports are submitted online on SEBI SCORES, there is one complaint, which is not resolved to the satisfaction of the shareholder which relates to non-allotment of rights shares. The requests by shareholders for revalidation of dividend warrants/issue of cheques in lieu of the said warrants are resolved within a reasonable time.

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.

The Company Secretary is the Secretary to the Committee. The name and designation of the Compliance Officer is provided in the section 'General Information to shareholders', forming part of this report.

17. Corporate Social Responsibility Committee

During the year, the Corporate Social Responsibility (CSR) Committee met on January 19, 2015 and recommended the CSR Policy to the Board for approval. 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 held	No. of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Shri K N Prithviraj, Chairman	1	1/1	10,000
Shri C Ilango, Managing Director	1	1/1	NIL
Shri P B Santhanakrishnan, FCA	1	1/1	10,000

The Company Secretary is the Secretary to the Committee.

The Company has been extending support for social causes like providing infrastructure to government middle/higher primary schools, etc.

Other information relating to the proposal for spending in terms of the Corporate Social Responsibility Policy and reasons for not spending the earmarked amount during the current year are disclosed in a separate report annexed to this Report of Directors.

18. Risk Management Committee (RMC)

The Company has constituted a risk management framework laying down the procedures for risk assessment and mechanisms for their mitigation. During the year, the Board has constituted a Board-level Risk Management Committee comprising three members - two Directors and a senior management executive. The Committee has revisited the Risk Management Policy and recommended the same for the approval of the Board. 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 shall approve and monitor 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 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. The Committee also reviews the risk profile of the Company on a quarterly basis and apprises the Board of Directors about the key risks associated with the business of the Company, its risk profile, overall risk rating and steps taken to mitigate the same.

Further, the Audit Committee and the Board of Directors review the key risks associated with the business of the Company, the procedures in place to assess the risks and the mitigation mechanisms.

During the year the Risk management Committee met 2 times - on December 15, 2014 and February 20, 2015. 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 held	No. of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Smt. P V Bharathi, Chairperson	2	2/2	20,000*
Shri K R Vijayendra	2	1/2	10,000
Shri T V Rao	2	1/2	10,000
Smt Shamila M	2	2/2	Nil

* Sitting Fee paid to Canara Bank

The Company Secretary is the Secretary to the RMC.

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee are chaired by Independent Directors. The Independent Directors are not paid any fee/remuneration apart from the sitting fee paid 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 Chairman 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.

19. 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 clause 49 of the listing agreement and threshold limits as defined and in conformity with the provisions of the Companies Act, 2013, the related rules and the requirements under clause 49 of the listing agreements as amended from time to time.

The details of the related party transactions entered into by the Company are included in the notes forming part of the financial statements (Note No.30 of the annual accounts) and Related party transaction policy is displayed in the Company's website. Particulars of such contracts/ arrangements are provided as an annexure to this Report of Directors.

20. Disclosures

Related party transaction

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. The Company's Related Party Transactions Policy is on the website of the Company and the weblink is: https//:www.canfinhomes.com None of the directors are related inter-se.

Compliance with Accounting Standards

The Company has complied with the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. The financial statements for the year have been prepared in accordance with and in compliance of the revised Schedule VI notified by the Ministry of Corporate Affairs (MCA).

Remuneration of Non-Executive Directors

The Non-Executive Directors of the Company are paid only the sitting fee (₹10,000 for Committees and ₹20,000 for Board) for attending the meetings of the Committees or Board and no

other remuneration is being paid to them.

The Non-Executive Directors of the Company do not have any material pecuniary relationships or transactions with the Company or its directors, senior management, promoter or its subsidiaries or associate companies.

Shareholding of Non-Executive Directors

Shri P.B. Santhanakrishnan, FCA, an Independent Director of the Company holds 520 equity shares of the Company. No other Non-Executive Director of the Company holds any equity shares of the Company.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is 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.

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.

Fine/penalty, etc., if any, paid by the Company during the year

During the period under review, National Stock Exchange of India Ltd. had imposed a fine of ₹4000 for a delay of four days in submission of Annual Report 2013-14. 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.

21. Means of communication to the Shareholders

Presently, the Company has about 25,000 shareholders all over India during March 2015 as against around 17,250 during March 2014.

The means of communication to the shareholders includes;

(a) **Annual Report** – The Annual Report encompasses the operational and financial highlights for last 5 years, profit, business position of over 5 years horizon, 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.

(b) **'Investors' page on the website of the Company (www.canfinhomes.com)** – The Investor page provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data compared for the last 10 quarter and annual performance compared for 8 financial years. 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, dematerilisation 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.

(c) **Publications** – The Company publishes the abridged version of audited/ unaudited financial results in leading newspapers in English and in the Regional Language viz., Kannada.

(d) **Stock Exchanges** – The Company uploads/discloses all material information about the Company, including quarterly and yearly financial results, limited review reports, shareholding pattern, report on corporate governance etc. periodically to the National Stock Exchange of India Ltd. and BSE Limited.

(e) **Dissemination of information through television/press:** The Managing Director provides brief information on quarterly/annual results, corporate actions like rights issue etc. on T.V. channels and in print media, within the permissible disclosure norms.

(f) **Analysts meet:** The Managing Director interacts with the analysts/investors and provides clarifications on the issues covered in the presentation, which is made available on the Company's official website within the permissible disclosure norms.

(g) **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.

(h) **Meetings:** The principal forum for interaction/discussion with shareholders, be it individuals, corporates or foreign investors is the annual general meeting of the Company.

Other information: The details relating to the director(s)

proposed to be 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, who are holding shares in physical form. The above documents would also be available on the website of the Company www.canfinhomes.com for download by the shareholders.

The Annual Report of the Company for the financial year 2014-15 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.

22. Proceeds from rights issue

The Company had issued equity shares on rights basis to the existing shareholders/renouncees based on their valid application forms and the basis of allotment as approved by the designated stock exchange viz., the BSE Ltd., and subsequently by the Board of Directors on March 09, 2015.

The Company had issued equity shares on rights basis to the existing shareholders/renouncees based on their valid application forms and the basis of allotment as approved by the designated stock exchange viz., the BSE Ltd., and subsequently by the Board of Directors on March 09, 2015.

The total amount of funds received in the bank accounts of the Company on account of Rights Issue on March 13 2015 was Rs.276.07 Crore (excluding the amount in respect allotment 10583 equity shares kept in abeyance). On settlement of rights issue expenses of Rs.2.68 Crore (major payments being Rs.65.62 lac to the merchants bankers and Rs.150.05 lac to Stock Exchanges/NSDL/CDSL), the balance amount of Rs.273.39 Crore was transferred to Share Capital + Share Premium Account. (Rs.6.14 Crore and Rs.267.25 Crore respectively)

The proceeds of the Rights Issue was utilised entirely for working capital purposes only as mentioned in the Letter of Offer by reducing Bank borrowings.

23. CEO and CFO Certification

In terms of Clause 49 (IX) of the listing agreements, a certificate from the CEO or the Managing Director and the 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, which was taken on record at the Board meeting held on May 04, 2015 convened for approval of the audited financial results of the Company for the year under review.

24. Subsidiaries

The Company has no subsidiaries and as such the requirement of certain compliances relating to subsidiaries, as prescribed, are not applicable.

25. Report on Corporate Governance

The Company has complied with the mandatory requirements as stipulated under Clause 49 of the listing agreements.

The quarterly compliance status reports on corporate governance are submitted by the Company to the stock exchanges within the prescribed time limit, duly signed either by the Chief Executive Officer or the Compliance Officer of the Company. The Corporate Governance reports are uploaded in the Company's website for the information of all stakeholders.

26. Compliance

Compliance with mandatory requirements

M/s Kedarnath Associates, Practicing Company Secretaries, have certified that the Company has complied with the mandatory requirements as stipulated under Clause 49(XI) of the listing agreements. The said certificate is annexed to the Report of Directors and will be submitted to the Stock Exchanges and the Ministry of Corporate Affairs along with the Annual Report.

Compliance with non-mandatory requirements

The Company has been maintaining the un-qualified quarterly/half-yearly/annual un-audited/audited financial statements of the Company.

As regards the other non-mandatory requirements, the Board has taken cognisance of the same and may consider adopting them as and when deemed appropriate.

Going Concern

The Board is satisfied that the Company has adequate resources to continue its business for the foreseeable future and consequently considers it appropriate to adopt the going concern basis in preparing its financial statements.

For and on behalf of the Board of Directors

Sd/-

Place: Bengaluru
Date: 02/06/2015

K.N. Prithviraj
Chairman

GENERAL INFORMATION TO SHAREHOLDERS

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 the Point no.8 of Annexure XII to the revised Clause 49 of the Listing Agreement(s).

1. Board Meetings and Committee Meetings

The particulars of Board Meetings and Committee Meetings held during the year are mentioned in the Report of Directors on Corporate Governance.

2. Annual General Meetings (AGMs)

The particulars of annual general meetings held during the last 3 years are as follows:

Year	Time	Day	Date	Venue
2012	11.00 A.M	Wednesday	August 08, 2012	J.S.S. Mahavidya Peetha "Shivarathreshwara Centre" Auditorium, I Main, 8th Block, Jayanagar, Bengaluru 560 082
2013	11.00 A.M	Wednesday	August 07, 2013	Same as above
2014	11.00 A.M	Wednesday	July 30, 2014	Same as above

3. Special Resolutions passed at the previous 3 Annual General Meetings:

2012	Appointment of statutory auditors and authorisation to the Board of Directors of the Company for appointment of branch auditors as per section 224(A), 226 and 228 and all other applicable provisions of the Companies Act, 1956.
2013	Appointment of statutory auditors and authorisation to the Board of Directors of the Company for appointment of branch auditors as per section 224(A), 226 and 228 and all other applicable provisions of the Companies Act, 1956.
2014	1. Consent of the Board of Directors of the Company to borrow money(ies) as they deem requisite for the purpose of business of the Company, provided that the total amount upto which money(ies) borrowed by the Board of Directors shall not exceed ₹12,000 crore at any one time. 2. Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue of covenants etc. 3. Approval for Offer or invitation/issue for subscription for Non-Convertible Debentures (NCDs) aggregating to ₹2,500 crore on private placement. 4. Authorisation for offer or invitation for subscription for Tier-II Subordinated Bonds aggregating to ₹300 crore on private placement.

4. 28th Annual General Meeting (AGM)

Day/Date : Wednesday, July 08, 2015
Time : 11 A.M.
Venue : J.S.S. Shivarathreeshwara Centre Auditorium, 1st main, 8th Block, Jayanagar, Bengaluru 560 082.

Bus Route Nos.12 and 12E pass through Jayanagar 8th Block and Route Nos. 12B and 12D pass through Deepak Nursing Home close to the venue of the AGM.

Financial year is from April 01, 2015 to March 31, 2016

Calendar 2015-16: The probable schedule for holding meetings of the Audit Committee/Board of Directors is as under:

Nature of meeting	Purpose	Probable date
Audit Committee/ Board	To review, approve and take on record the financial results for the quarter ending June 30, 2015.	During Second/Third week of July, 2015
Audit Committee/ Board	To review, approve and take on record the financial results for the quarter ending September 30, 2015.	During Second/Third week of October, 2015
Audit Committee/ Board	To review, approve and take on record the financial results for the quarter ending December 31, 2015.	During Second/Third week of January, 2016
Audit Committee/Board	To review, approve and take on record the financial results (Audited) for the quarter and the financial year ending March 31, 2016.	During Second/Third week of April, 2016.

5. Date of book closure:

Friday the June 26, 2015 to Wednesday the July 08, 2015. (Both days inclusive)

6. Dividend payment:

During the second week of July 2015.

The Board of Directors of the Company have recommended a dividend at ₹7.00 per equity share of ₹10 each (70%), for the financial year ended March 31,2015, subject to approval of the shareholders at the ensuing annual general meeting.

7. 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 Thursday, June 25, 2015.

(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 Thursday, June 25, 2015.

8. Listing of Equity Shares

BSE Ltd.	National Stock Exchange of India Ltd.
1st floor, Rotunda Building, B.S. Marg, Fort, Mumbai - 400 021.	"Exchange Plaza", Bandra-Kurla complex, Bandra(E), Mumbai - 400051

*SEBI vide its order dated December 26, 2014 bearing No. WTM/RKA/MRD/165/2014 granted an exit to the Bangalore Stock Exchange Ltd. (BgSE) and hence since December 26, 2015 the equity shares are not listed in BgSE.

9. Listing fee

The listing fees for the year 2014-15 and 2015-16 have been paid to all the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for 2014-15 to NSDL and CDSL has also been paid within the due dates. The invoices have not been received till date for 2015-16.

10. Stock code

The Scrip Name and Scrip Code at the BSE Ltd., and the National Stock Exchange of India Ltd, Mumbai, are as under:

By Name: CANFINHOME

By Scrip Code: 511196

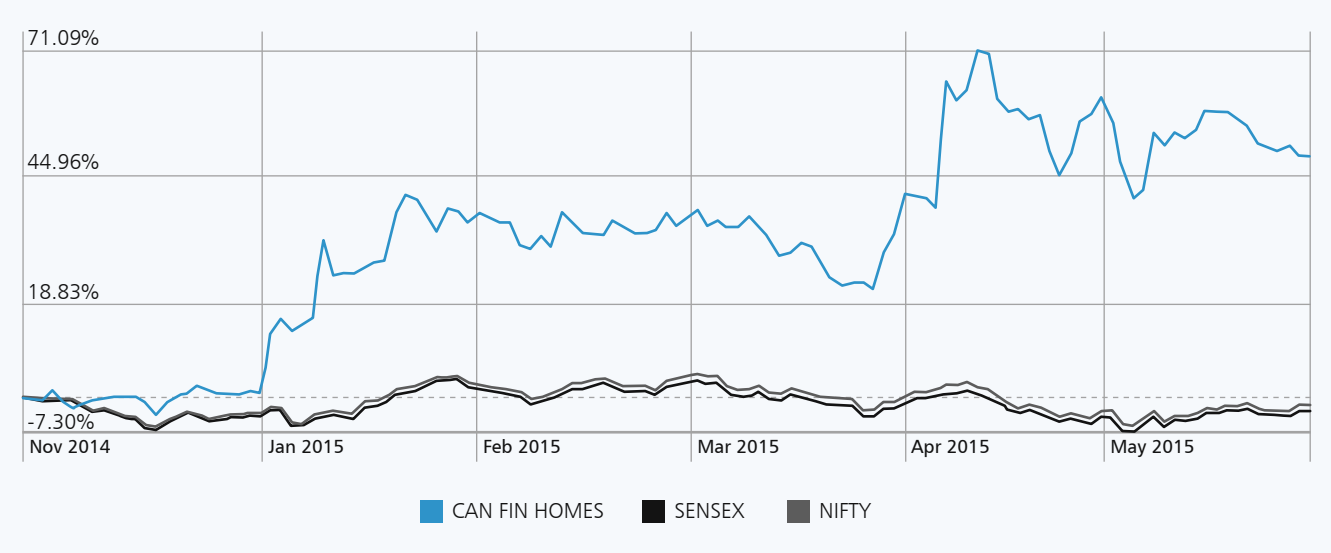
The ISIN allotted to the Equity Shares of the Company is: INE 477A01012.

11. Market Price data – High/Low during each month in the last financial year

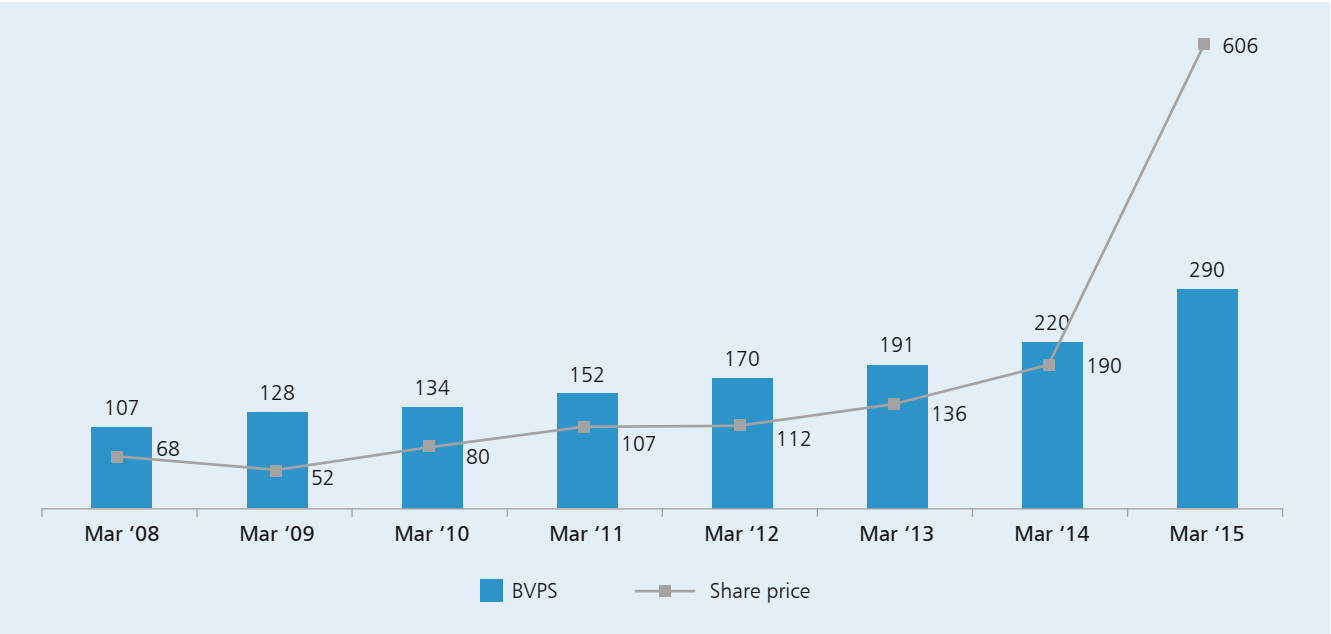
(Equity Shares of the face value of ₹10/- each):

Month and Year	National Stock Exchange of India Ltd. (NSE), Mumbai (₹)		Bombay Stock Exchange Ltd. (BSE), Mumbai (₹)	
	High	Low	High	Low
April, 2014	256.95	188.05	257.35	189.00
May, 2014	367.95	231.15	367.00	231.50
June, 2014	417.40	316.50	432.00	317.55
July, 2014	488.80	383.95	477.45	392.00
August, 2014	404.80	352.10	396.75	376.20
September, 2014	473.50	375.95	465.45	385.30
October, 2014	500.30	422.05	499.70	425.00
November, 2014	548.00	478.00	548.40	476.20
December, 2014	516.75	440.00	544.80	442.00
January, 2015	724.00	497.00	723.80	496.00
February, 2015	650.00	585.10	648.00	586.10
March, 2015	642.90	554.00	640.00	551.00

12. Performance in comparison to broad-based indices such as BSE Sensex & NSE Nifty:



13. Stock price and Book Value – Year to Year



14. 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-560 003
Tel: 080-23469661/62, 23469664/65
Fax: 080-23469667
e-mail:canbankrta@ccsl.co.in

Karvy Computershare Pvt Ltd. (For Rights Issue only)
Plot No 17-24, Vittalrao Nagar
Madhapur, Hyderabad – 500081
Tel:40 44655312
Fax:40 23431551
e-mail:Einward.ris@karvy.com

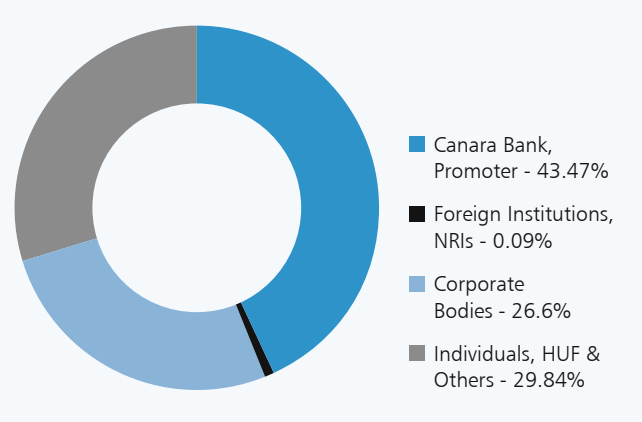
15. Share transfer system

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.

16. Distribution of shareholding as of 31/03/15

Amount (₹)	Members		Shares	
	Number	%	Amount (₹)	%
Upto - 5000	23232	90.63	26768580	10.06
5001 - 10000	1326	5.17	9359060	3.52
10001 - 20000	575	2.24	8099860	3.04
20001 - 30000	149	0.58	3764020	1.41
30001 - 40000	76	0.30	2753250	1.03
40001 - 50000	42	0.16	1927090	0.72
50001 - 100000	118	0.46	8494420	3.19
100001 and above	117	0.46	205036140	77.03
Total	**25635**	**100.00**	**266202420**	**100.00**

17. Shareholding Pattern



18. Dematerialisation of shares and liquidity

The equity shares of the Company are in the list of scripts specified by SEBI to be compulsorily traded in the electronic form. About 96.18% of paid up capital is held in dematerialised form and the remaining 3.82% 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.

Outstanding GDRs/ADRs/Warrants of any convertible instruments, conversion date and likely impact on equity. : Not Applicable.

19. 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 Board Secretariat Dept., Can Fin Homes Ltd., Registered Office, 29/1, Sir M.N. Krishna Rao Road, Basavanagudi, Bangalore – 560004 (Tel: 080 26564259; Fax:080 2656 5746)

E-mail:investor.relationship@canfinhomes.com

20. Unclaimed dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, monies transferred to the Unpaid Dividend Account of the Company, which remain unclaimed and unpaid for a period of 7 years from the date on which it was first due for payment, are required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C(1) of the Companies Act, 1956.

Further, in terms of Section 205C (11), no payments shall be made by the Company in respect of claims made after the said period of 7 years. In spite of sending final reminder letters to shareholders individually, before transferring such dividend amounts to IEPF, there are a few shareholders who have not yet encashed/claimed their dividend(s) amount. The corresponding section 125 of the Companies Act, 2013 and related rules are yet to be notified.

The due date for transfer of unclaimed dividend amount to IEPF is as under:

Dividend – relevant years	Dividend Per Share (Face value of ₹10) (₹)	Balance in unpaid dividend account as on 31/03/2015 (₹)	Unclaimed dividend as a % of total amount of dividend declared	Declared at the AGM held on	Due date for transfer to the Investor Education and Protection Fund (IEPF)*
2007-08	2.50	763165.00	1.49	24.09.2008	24.09.2015
2008-09	2.00	609890.00	1.49	27.08.2009	27.08.2016
2009-10	2.00	732146.00	1.79	25.08.2010	25.08.2017
2010-11	2.50	914340.00	1.49	24.08.2011	24.08.2018
2011-12	3.00	1114851.00	1.81	08.08.2012	08.08.2019
2012-13	4.00	1701220.00	2.08	07.08.2013	07.08.2020
2013-14	6.50	2527128.50	1.90	31.07.2014	31.07.2021

*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 the prevailing contents of Section 205C of the Companies Act, 1956 no claim would lie against the Company or the IEPF after such transfer.

21. 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.

22. Bank account particulars

SEBI has issued a Circular CIR/MRD/DP/10/2013 dated 21/03/13 [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 been using physical payment instruments for payment of dividends to the investors. The said form is made available in this Annual Report.

23. 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 in this Annual Report. 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.

24. 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.

25. Shareholding pattern of the Company as of 31/03/15

Category of Shareholder	Number of shareholders/ folios	Total number of shares	Total shareholding as % of total no. of equity share holdings
Promoter and Promoter Group	2	11572927	43.47
Mutual Funds/UTI	4	148347	0.56
Trust	3	30974	0.12
Financial Institutions/Banks	3	40765	0.15
Insurance Companies	0	0	0.00
Foreign Financial Institutions	3	2500	0.01
Foreign Institutional Investors	3	22200	0.09
Bodies Corporate	518	7097005	26.66
Individuals	24044	7233442	27.18
Qualified Foreign Investor	0	0	0
Director & their relatives	1	520	0.001
Non Resident Indians	520	229075	0.86
Clearing members	102	45173	0.16
Hindu Undivided Families	410	191054	0.72
Employee shareholders	22	6260	0.02
GRAND TOTAL	**25635**	**26620242**	**100.00**

26. Compliance Officer:

Smt Veena G Kamath
Company Secretary
Can Fin Homes Ltd.,
Registered Office: No.29/1, I Floor
Sir M.N. Krishna Rao Road,
Basavanagudi, Bengaluru 560 004.
Phone: 080-26565736/26564259
Fax:080-26565746
e-mail: investor.relationship@canfinhomes.com
compsec@canfinhomes.com

CEO CFO CERTIFICATION

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

Registered Office
No. 29/1, 1st Floor, M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi, Bangalore - 560 004
Tel: 080 26565736,080 26564259 • Fax: 080 26565746
E-mail :sathyaprakash@canfinhomes.com • Web: www.canfinhomes.com
CIN: L85110KA1987PLC008699

Sub: Corporate Governance in listed companies – Clause 49(ix) of the Listing Agreement – CEO/CFO certification for the year ending 31st March 2015

With reference to the certification as per Clause 49 (ix) of the Listing Agreement, we certify that:

a) We have reviewed financial statements and the Cash Flow statement for the year ended March 31st 2015 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.

Sd/-
Atanu Bagchi
Asst. General Manager

Sd/-
C. Ilango
Managing Director

Bangalore
04/05/15

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of Canfin Homes Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information [in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's 97 branches]

Management's Responsibility for the Financial Statements

1) The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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.

Auditor's responsibility

2) Our responsibility is to express an opinion on these financial statements based on our audit.

   We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

   We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

   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.

Opinion

3) 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2015
   (ii) in case of the Statement of Profit and Loss, of the profit for the year ended on that date and
   (iii) the Cash Flows of the Company for the year ended on that date

Other Matter

4) We did not audit the financial statements of 97 branches included in the financial statements of the Company whose financial statements reflect total assets of ₹5,278 crores as at 31st March 2015 and total revenues of ₹514 crores 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, is 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

5) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

6) 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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   (c) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

   (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

   (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (f) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) 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 the impact of pending litigations on its financial position in Note 17 of the financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company have been transferred by the Company.

for K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Suryaprakash
Partner
Membership No. 018857

Place : Bengaluru
Date : 4th May 2015

Annexure to Independent Auditors' Report

[Referred to in paragragh (3) of Our Report of Even Date]

(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) We are informed that the fixed assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(ii) The company does not have inventory of goods, hence the provisions of Para 4(ii) of the Companies (Auditors Report), 2015 are not applicable to the Company.

(iii) 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, 2013. Therefore the provisions of Para 4(iii) of the Companies (Auditors Report), 2015 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are fairly adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services.

(v) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under to the extent applicable and the Housing Finance Companies (NHB) directions, 2001 with regard to the deposits accepted from public.

(vi) As explained to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in the case of this company.

(vii) (a) According to the information and explanations given to us and as per our verification of the records of the company, the company has been regular in depositing undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Wealth Tax, Custom Duty, Cess, Investors Protection Fund and other statutory dues with the appropriate authorities during the year. There are no arrears of undisputed statutory dues outstanding for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and as per our verification of the records of the company, the following disputed amounts of tax/duty that have not been deposited with appropriate authorities as at 31st March 2015 are given below :

Statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum to which amount is pending
Income Tax Act, 1961	Income Tax	4,48,13,345	AY 2007-08	The Company has filed an appeal before the Hon'ble High Court of Karnataka which has been admitted and yet to be heard.
Income Tax Act, 1961	Dividend Distribution Tax u/s.115-O	16,43,798	AY 2011-12	The Company has determined the probable liability of ₹1,97,812/- and made a request for adjustment of the said amount against the refund due. Revised orders awaited from the Department.
Total		**4,64,57,143**		

(c) According to the information and explanations given the amounts that were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder has been transferred to such fund within time.

(viii) In our opinion, the company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) In our opinion and according to the explanations given to us, the company has prima facie applied the term loans for the purpose for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year, although there were two instances of loans becoming doubtful of recovery consequent upon fraudulent misrepresentation by borrowers, the amounts whereof are not material in the context of the size of the Company and the nature of its business and which have been provided for.

for K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Suryaprakash
Partner
Membership No. 018857

Place : Bengaluru
Date : 4th May 2015

Balance Sheet As at 31st March, 2015

(₹ in Lakh)

Particulars	Note No.		As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES				
(1) Shareholders Funds				
(a) Share Capital	02	2,662.25		2,048.75
(b) Reserves and Surplus	03	74,486.48		43,181.72
			77,148.73	45,230.47
(2) Share Application Money pending Allotment	04		47.62	0.00
(3) Non-Current Liabilities				
(a) Long Term Borrowings	05	5,45,726.09		4,32,879.49
(b) Deferred Tax Liabilities (Net)	12	2,161.43		0.00
(c) Long Term Provisions	06	5,394.11		4,075.90
			5,53,281.63	4,36,955.39
(4) Current Liabilities				
(a) Short Term Borrowings	07	1,48,365.64		36,589.24
(b) Other Current Liabilities	08	47,556.41		67,310.65
(c) Short Term Provisions	09	7,035.40		5,078.81
			2,02,957.45	1,08,978.70
Total			8,33,435.43	5,91,164.56
II ASSETS				
(1) Non - Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	10	927.75		781.63
(b) Non-Current Investments	11	1,493.50		1,493.50
(c) Deferred Tax Assets (Net)	12	0.00		486.49
(d) Long Term Loans and Advances	13	8,20,697.51		5,83,061.47
			8,23,118.76	5,85,823.08
(2) Current Assets				
(a) Cash and Cash Equivalents	14	800.21		915.35
(b) Short Term Loans and Advances	15	9,483.78		4,380.48
(c) Other Current Assets	16	32.68		45.64
			10,316.67	5,341.48
Total			8,33,435.43	5,91,164.56
Significant Accounting Policies	01			

See accompanying notes forming part of the financial statements.

For K P Rao & Co,
Chartered Accountants
FR NO-003135S

K.N.Prithviraj
Chairman

C Ilango
Managing Director

P.B.Santhanakrishnan
Director

Surya Prakash K
Partner
Membership No: 018857

S.A.Kadur
Director

T.V.Rao
Director

P.V.Bharathi
Director

Place: Bangalore
Date: May 04, 2015

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

Statement of Profit and Loss For the year ended 31st March, 2015

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
INCOME			
Revenue from Operations	18	81,630.64	57,774.41
Other Income	19	72.72	25.96
Total Revenue		**81,703.36**	**57,800.37**
EXPENSES			
Employee benefit Expenses	20	2,475.08	1,789.94
Finance Costs	21	61,028.95	42,276.72
Depreciation and Amortization Expenses	22	373.25	201.03
Other Expenses	23	2,656.09	2,400.75
Total Expenses		**66,533.37**	**46,668.44**
Profit Before Tax , Provision and Exceptional Items		**15,169.98**	**11,131.93**
Provisions			
Provision for Standard Assets	13.5	1,200.00	800.00
Provision for Doubtful Debts (Written back)	24	224.77	(355.69)
Profit Before Tax and Exceptional Items		**13,745.21**	**10,687.61**
Exceptional Items			
Prior Period Adjustments		0.00	22.42
Profit Before Tax		**13,745.21**	**10,665.19**
Tax expenses:			
(a) Current Year		4,323.00	3,093.00
(b) Deferred Tax		797.91	1.00
Profit for the period		**8,624.30**	**7,571.19**
Earnings per Equity Share (face value ₹10/-)			
(1) Basic (in ₹)		41.45	36.96
(2) Diluted (in ₹)		41.45	36.96
Significant Accounting Policies	01		

See accompanying notes forming part of the financial statements.

For K P Rao & Co,
Chartered Accountants
FR NO-003135S

K.N.Prithviraj
Chairman

C Ilango
Managing Director

P.B.Santhanakrishnan
Director

Surya Prakash K
Partner
Membership No: 018857

S.A.Kadur
Director

T.V.Rao
Director

P.V.Bharathi
Director

Place: Bangalore
Date: May 04, 2015

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

Cash Flow Statement For the year ended 31st March, 2015

(₹ in Lakh)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extra Ordinary Items	15,169.98	11,131.93
Adjustments For :		
Depreciation	373.25	201.03
(Profit)/Loss on sale of Assets	(36.72)	0.66
Interest Received on SLR deposits	(136.85)	(141.08)
Bad debts written off	210.08	321.73
Provision for retirement benefits	215.90	128.91
Operating Profit Before Working Capital Changes	15,795.65	11,643.18
Adjustments For :		
Current Assets	208.58	(20.54)
Current Liabilities	(6,069.62)	2,796.24
	(5,861.04)	2,775.70
Cash Generated from Operations	9934.61	14,418.88
Direct taxes paid	(4,181.09)	(3038.71)
Cash Flow Before Extraordinary Items	5753.52	11,380.17
Net Cash From Operating Activities 'A'	5753.52	11,380.17
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(537.03)	(337.71)
Sale of Fixed Assets	46.54	4.35
Purchase of Investments	-	-
Sale of Investments	-	100.00
Interest Received	136.85	141.08
Net Cash Used In Investing Activities 'B'	(353.64)	(92.28)

Cash Flow Statement For the year ended 31st March, 2015

(₹ in Lakh)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	27,339.47	0.00
Long Term Borrowings(Net of Repayments)	2,07,670.00	1,72,963.48
Loans (Net of Repayments) *	(2,38,966.65)	(1,83,238.13)
Dividends paid	(1,557.84)	(952.34)
Net Cash Used In Financing Activities 'C'	**(5,515.01)**	**(11,226.99)**
Net (Decrease)/Increase In Cash And Cash Equivalents 'A+B+C'	**(115.14)**	**60.90**
Opening Balance of Cash and Cash Equivalents 'D'	915.35	854.46
Closing Balance of Cash and Cash Equivalents 'E'	800.21	915.35
Net (Decrease)/Increase in Cash and Cash Equivalents 'E-D'	**(115.14)**	**60.90**

* Including Securitised Assets

K.N.Prithviraj
Chairman

C Ilango
Managing Director

P.B.Santhanakrishnan
Director

S.A.Kadur
Director

T.V.Rao
Director

P.V.Bharathi
Director

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

We have examined the above Cash Flow Statement of CAN FIN HOMES LTD., BANGALORE for the period ended March 31st, 2015. The Statement has been prepared by the Company in accordance with the requirement of the listing agreements with the respective stock exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company.

For K P Rao & Co,
Chartered Accountants
FR NO-003135S

Surya Prakash K
Partner
Membership No: 018857

Place: Bangalore
Date: May 04, 2015

Notes forming part of the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

i. **Method of Accounting**

The Company adopts the accrual method and historical cost concept in the preparation of the accounts in accordance with generally accepted accounting principles.

ii. **Revenue Recognition**

The Company follows National Housing Bank's (NHB) Prudential Norms for recognition of income for Non-performing assets and provision for Non-performing & Standard assets. As per NHB Prudential Norms, an asset will be classified as non-performing if the interest or instalments are overdue for 90 days or more. Further, non-performing assets are classified into sub-standard, doubtful and loss assets depending upon the age. Income is recognised on accrual basis in respect of performing Assets and on receipt basis for non-performing Assets.

iii. **Accounting of Housing Loans**

Loans to the extent, the instalments have not become due as at the year-end and suit filed accounts are being shown under housing loans.

iv. **Interest on Loans**

Repayment of loans is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, Pre-EMI interest is receivable every month. Interest is calculated on annual/ monthly rest basis.

v. **Investments**

Investments are long term in nature and capitalised at cost inclusive of brokerage and stamp charges and adjusted for any front-end fees received. Premium paid on Investments are written off in the year of purchase. Weighted Average Cost is taken for determining the profit on sale of Investments.

vi. **Fixed Assets**

Fixed Assets are capitalised at cost.

vii. **Depreciation**

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

viii. **Employee Benefits**

The Provision towards Gratuity, Compensated Absence, Exempt Provident Fund, Leave Fare Concession and Sick Leave are made based on the actuarial valuation as at the end of the year and charged to the Profit & Loss Account along with actuarial gains/losses.

ix. **Taxation**

Tax expense comprises Current and Deferred Taxes. Provision for Current Taxes is measured at amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961 on the basis of estimated taxable income for the current accounting period. Deferred Income Taxes resulting from timing difference between book and taxable profit is accounted for using the rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. The Deferred Tax Asset is recognised and carried forward only to the extent that there is a future taxable income.

x. **Accounting of Borrowing Expenses**

Expenses incurred for issue of NCDs & CPs such as ROC fee, Stamp Duty etc., are charged to Profit & Loss Statement in the year of issue.

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars		As at March 31, 2015	As at March 31, 2014
2 SHARE CAPITAL			
Authorised			
7,00,00,000 Equity Shares of ₹10 each		7,000.00	7,000.00
Issued and Subscribed			
2,66,45,575 Equity Shares of ₹10 each		2,664.56	2,050.00
Paid Up			
2,66,20,242 Equity shares of ₹10 each	2,662.02		
Add : Forfeited Shares	0.23	2,662.25	2,048.75
		2,662.25	2,048.75

Reconciliation of Number of shares outstanding at the beginning and at the end of the reporting period is as under.

Particulars	As at March 31, 2015		As at March 31, 2014	
	No	₹ in lakh	No	₹ in lakh
Equity Shares outstanding as at the beginning of the year	2,04,85,250	2,048.75	2,04,85,250	2,048.75
Add: Equity shares issued during the year (Refer Note no. 2.1)	61,34,992	613.50	-	-
Equity Shares outstanding as at the end of the Year	2,66,20,242	2,662.25	2,04,85,250	2,048.75

Details of each shareholder holding more than 5% in the Company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No	% of shares held to total shares	No	% of shares held to total shares
Canara Bank	1,15,72,927	43.47	86,81,808	42.38
Chhattisgarh Investments Ltd	38,13,006	14.32	28,81,906	14.07

2.1 During the year the Company has allotted 61,34,992 Equity Shares of ₹10/- each for cash at a price of ₹450/- each (inclusive of a premium of ₹440/- per share) on Rights basis during March 2015 and the allotment of 10,583 equity shares are kept in abeyance pending receipt of final order by the Hon'ble High Court of Kerala.

(₹ in Lakh)

Particulars		As at March 31, 2015	As at March 31, 2014
3 RESERVES AND SURPLUS			
Special Reserve (Refer Note 3.1)			
(in terms of Section 36(1)(viii) of Income Tax Act, 1961)			
Opening Balance	22,371.00		19,871.00
Add: Transferred from P & L account (Refer Note 3.2)	2,850.00		2,500.00
		25,221.00	22,371.00
General Reserve			
Opening Balance	17,064.00		15,064.00
Less: Creation of DTL on Special Reserve (Refer Note 3.3)	1,850.00		0.00
Less: Write off of Fixed Assets whose life was Zero as on 01/04/14 (Refer Note 3.5)	8.79		0.00
Add: Transferred from P & L account	2,000.00		2,000.00
		17,205.21	17,064.00

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars		As at March 31, 2015	As at March 31, 2014
3 RESERVES AND SURPLUS *(Contd.)*			
Additional Reserve (u/s 29C of The NHB Act)			
Opening Balance	2,700.00		1,100.00
Add: Transferred from P & L account (Refer Note 3.2)	1,800.00		1,600.00
		4,500.00	2,700.00
Security Premium Reserve			
Opening Balance	525.00		525.00
Add: Received during the year	26,725.97		0.00
		27,250.97	525.00
Profit and Loss Account			
Opening Balance	521.72		608.37
Add: Surplus in the statement of Profit and Loss account	8,624.30		7,571.19
	9,146.02		8,179.56
Less: Appropriation for:			
Special Reserve	2,850.00		2,500.00
General Reserve	2,000.00		2,000.00
Additional Reserve (u/s 29C of the NHB Act)	1,800.00		1,600.00
Proposed Dividend	1,864.16		1,331.54
Corporate Dividend Tax thereon	322.57		226.30
		309.30	521.72
		74,486.48	43,181.72

3.1 Special Reserve has been created over the years in terms of Income Tax Act 1961, out of the distributable Profits of the Company.

3.2 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 ₹2,850 lakh (previous year ₹2,500 lakh) to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹1,800 lakh (previous year ₹1,600 lakh) to Additional Reserve U/S 29C of the NHB Act, 1987 during the FY 2014-15.

3.3 Vide Circular NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961 as on 31/03/14 and permitted to adjust the same from Retained Earnings. Further, vide Circular NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014, NHB has permitted HFCs to adjust the Deferred Tax Liability in a phased manner, over a period of three years in the ratio of 25:25:50 starting from FY 2014-15. Accordingly the Company has to adjust the DTL of ₹7399.96 lakh in three years. The Company has transferred ₹1850.00 lakh in the current year from the General Reserve to DTL on the Special Reserve outstanding as on 31/03/14.

3.4 Further, Deferred Tax Liability of ₹797.91 lakh (previous year ₹1 lakh) is charged off to the Statement of Profit & Loss, on account of Special Reserve appropriated during the current year.

3.5 The Company has reworked the useful life on various Fixed Assets as prescribed in Part C of Schedule II of the Companies Act, 2013. In respect of those assets whose remaining useful life as on 01/04/14 is NIL, the same has been adjusted to the General Reserve as prescribed under 7(b) to the notes of the said Schedule II of the Companies Act, 2013.

Notes forming part of the Financial Statements

3.6 Presentation of Reserve Fund as per NHB's policy circular reference NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014:

(₹ in Lakh)

Particulars	Current Year	Previous Year
Reserves & Surplus		
Statutory Reserve		
(As per section 29C of the National Housing Bank Act, 1987)		
Opening Balance	2,700.00	1,100.00
Additions during the year	1,800.00	1,600.00
Appropriations during the year	0.00	0.00
Closing Balance	4,500.00	2,700.00

(₹ in Lakh)

Particulars	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,700.00	1,100.00
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	22,371.00	19,871.00
Total	**25,071.00**	**20,971.00**
Addition/ Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	1,800.00	1,600.00
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.	2,850.00	2,500.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	0.00
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.	0.00	0.00
Balance at the end of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	4,500.00	2,700.00
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.	25,221.00	22,371.00
Total	**29,721.00**	**25,071.00**

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
4 SHARE APPLICATION MONEY PENDING ALLOTMENT		
The application money in respect of 10,583 equity shares under the Rights Issue. (Refer Note 2.1)	47.62	0.00

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
5 LONG TERM BORROWINGS		
Secured (Refer Note 5.1)		
National Housing Bank	2,90,997.09	1,99,616.39
Loans and Advances from Related parties*	1,78,826.33	1,90,074.53
Loans & Advances from HDFC Bank	1,762.29	2,202.86
Loans & Advances from Bank of Baroda	199.63	10,000.00
Secured Redeemable Non Convertible Non-Cumulative Taxable Debentures (Refer Note 5.2) *Represents the advances availed from Canara Bank	55,000.00	25,000.00
	5,26,785.33	4,26,893.78
Unsecured		
Unsecured Redeemable Non Convertible Debenture in the nature of Tier II Bonds (Refer Note 5.3)	10,000.00	0.00
Deposits (Refer Note 5.4)	8,940.76	5,985.71
	5,45,726.09	4,32,879.49

5.1 The borrowings from National Housing Bank, Canara Bank, HDFC Bank, Bank of Baroda, Kotak Mahindra Bank Federal Bank and Deutsche Bank 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 between 2-15 years and that of short term borrowings is less than 1 year.

5.2 During the year the Company has issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures worth ₹30,000 lakh (previous year ₹25,000 lakh) through private placement totalling to ₹55,000 lakh. These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose. The debentures to the extent of ₹25000 lakhs (raised in the previous year) are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose and also by mortgage of an immovable property (an apartment located at Kodigehalli, Hebbal, Bangalore) in favour of the Debenture Trustees.

The details of the Secured Redeemable Non Convertible Taxable Debentures as on 31/03/15 are as follows:

Rate of Interest	Date of Issue	Date of Redemption	Amount in Lakh
10.05%	13/01/14	13/01/17	16,200.00
10.05%	23/01/14	23/01/17	8,800.00
8.78%	10/12/14	10/12/16	10,000.00
8.80%	06/02/15	06/02/18	20,000.00
Total			**55,000.00**

5.3 Further, the Company has also issued Unsecured Debentures in the nature of Tier II Bonds worth ₹10,000 lakh (previous year NIL) 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, 2015, 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 Bonds as on 31/03/15 are as follows:

Rate of Interest	Date of Issue	Date of Redemption	Amount in Lakh
8.94%	03/12/14	03/12/24	10,000.00
Total			**10,000.00**

5.4 As per the Directions of the National Housing Bank, the Company has created floating charge on Statutory Liquid Assets (Investments in Govt. 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.

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
6 LONG TERM PROVISIONS		
Employee Benefits (Refer Note 28)	720.67	602.46
Contingencies	600.00	600.00
Standard Asset Provisions (Refer Note 13.5)	3,800.00	2,600.00
Interest on Income Tax Refund	273.44	273.44
	5,394.11	**4,075.90**

7 SHORT TERM BORROWINGS		
Secured (Refer Note 5.1)		
Loans & Advances from Related parties (Refer Note 7.1)	31,901.35	25,700.63
Overdraft Account from Federal Bank	5,199.38	0.00
Loans & Advances from Deutsche Bank	500.00	0.00
Unsecured		
Commercial Paper (Refer Note 7.2)	97,500.00	0.00
Deposits from Public (Refer Note 5.4)	13,264.92	10,888.61
	1,48,365.64	**36,589.24**

7.1 The Overdraft account with related party includes ₹5,312.48 lakh (previous year ₹4,164.34 lakh) being the cheques issued towards disbursements to borrowers and towards expenses but not encashed as on 31/03/15.

7.2 The Company has issued Commercial Paper at a discount to the face value and the discount is amortised for the current year to the extent accrued and the unamortised amount of ₹2,929.13 lakh (previous year Nil) is shown under Current Asset.

Details of the Commercial Paper outstanding as on 31/03/15 are as follows:

SL No.	Value Date	Face value in Lakh	Period in days	Discount Rate
1	20-11-14	5000.00	364	8.85%
2	08-12-14	15000.00	179	8.82%
3	13-02-15	15000.00	180	8.75%
4	27-02-15	20000.00	270	8.78%
5	04-03-15	17500.00	182	8.75%
6	16-03-15	25000.00	66	8.80%
	Total	97,500.00		

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars		As at March 31, 2015	As at March 31, 2014
8 OTHER CURRENT LIABILITIES			
Current maturities of Long term debts (Refer Note 5.1)			
- National Housing Bank - Refinance	31,037.23		32,782.84
- Term Loans from Canara Bank	11,330.00		24,160.00
- Term Loans from HDFC Bank Ltd	440.57		440.57
- Term Loans from Kotak Mahindra Bank Ltd	551.72		0.00
		43,359.52	57,823.98
Other Liabilities (Refer Note 8.1 & 8.2)		1,023.45	779.20
Unclaimed Deposits (Refer Note 8.3)		1,449.52	1,266.85
Provision for Expenses (Refer Note 8.4)		1,640.29	7,814.96
Unclaimed Dividend		83.63	66.23
		47,556.41	**67,310.65**
8.1 Other liability includes :-			
(i) Funds in transit		366.91	0.00
(ii) Cheques pending presentation		202.23	245.41
(iii) Time barred cheques		113.49	104.95
(iv) Cheques pending realisation		67.90	164.58
(v) Statutory Liabilities		64.89	43.91
(vi) Others		208.03	220.35

8.2 Other Liabilities 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 inquiries made by the company for this purpose.

8.3 As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹19.43 lakh (Previous Year ₹14.46 lakh) to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2015, except to the extent of ₹5.51 lakh (previous year ₹5.79 lakh) in respect of claims that are disputed. As of March 31, 2015, no amount was due for transfer to the IEPF.

8.4 Provision for Expenses includes provision made for interest on NHB borrowings of ₹ NIL (previous year ₹51.41 cr), interest on Canara Bank borrowings of ₹NIL (previous year ₹18.79 cr) and interest on Debentures of ₹13.34 cr (previous year ₹5.12 cr).

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
9 SHORT TERM PROVISIONS		
Income Tax	4,323.00	3,093.00
Dividend	1863.42	1,331.54
Tax on Dividend	322.57	226.30
Dividend on Shares kept in abeyance	0.74	0.00
Employee Benefits (refer Note 26)	525.67	427.97
	7,035.40	**5,078.81**

Notes forming part of the Financial Statements

(₹ in Lakh)

10 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions	Deductions	As at Mar 31, 2015	As at April 1, 2014	Additions	Deductions	As at Mar 31, 2015	As at Mar 31, 2015	As at Mar 31, 2014
Buildings*	305.88	0.00	8.20	297.67	172.55	8.73	5.31	175.99	121.69	133.33
Furniture and Fixtures	495.81	185.19	23.42	657.59	191.88	113.23	19.85	287.48	370.11	303.93
Computers	290.09	147.60	5.49	432.20	169.53	143.91	5.46	309.44	122.76	120.56
Office Equipments	20.64	11.93	0.34	32.23	9.84	8.05	0.33	18.87	13.36	10.80
Electrical Equipments	261.87	158.43	12.37	407.93	104.78	73.78	9.36	172.07	235.85	157.09
Vehicles - Cars	44.55	13.48	0.00	58.03	16.07	14.21	0.00	30.29	27.75	28.48
Vehicles - Two wheelers	47.21	20.40	4.38	63.22	19.77	11.35	4.09	26.99	36.23	27.44
Total	**1466.05**	**537.03**	**54.20**	**1948.88**	**684.42**	**373.25**	**44.38**	**1021.13**	**927.75**	**781.63**
Previous Year	1175.63	337.71	47.30	1466.05	525.67	201.03	42.28	684.42	781.63	0.00

* land jointly held with others and land is not bifurcated from building.

Note:

1. Depreciation has been charged as per the Revised Schedule II of the New Companies Act, 2013.
2. The Part C of Schedule II of the Companies Act, 2013 , prescribes the Useful life as the basis for calculating the depreciation with effect from 01/04/14.
3. The Assets whose remaining useful life is NIL as on 01/04/14 has been adjusted to the General Reserves as prescribed under 7(b) to the notes of the said Schedule II of the Companies Act, 2013.- The amount adjusted as above is Rs. 8,79,127

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
11 NON CURRENT INVESTMENTS		
(At Cost, Non Trade in Government or Trust Securities)		
06.05% Government of India Securities,2019	500.00	500.00
06.01% Government of India Securities,2028	500.00	500.00
05.64% Government of India Securities,2019	493.50	493.50
	1,493.50	1,493.50
Notes Face value of investments. Investments placed for SLR purpose and would be held to maturity, hence market value not furnished.	1,500.00	1,500.00

12 DEFERRED TAX ASSET

In view of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, adjustment to the deferred tax asset of ₹797.91 Lakh {Previous year ₹1 lakh} has been made and is adjusted against provision for tax for the current year. The tax effects of significant timing (temporary) differences that resulted in deferred tax assets and liabilities and description of the financial statement items are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets:		
Provision for Doubtful debts	257.77	191.01
Provision for compensated absence	423.63	299.00
Sub-Total (A)	**681.40**	**490.01**
Deferred Tax liability:		
Depreciation on Assets	24.11	3.52
On Special Reserve created before 01/04/14 (Refer Note 3.3)	1,850.00	0.00
On Special Reserve created after 01/04/14	968.72	0.00
Sub-Total (B)	**2,842.83**	**3.52**
Deferred Tax Liability/(Asset) (B-A)	**2,161.43**	**(486.49)**

Notes forming part of the Financial Statements

13	LONG TERM LOANS AND ADVANCES (Refer Note 13.1)		
(i)	Secured, Considered Good.		
	a) Housing Loans - Individuals/staff	7,29,400.59	5,32,838.31
	b) Housing Loans -Corporate Bodies & Others	1,627.28	1,414.41
	c) Non Housing Loans	90,462.67	49,332.11
		8,21,490.54	5,83,584.84
	Less: Provision for Non-Performing Assets (Refer Note 13.2 & 13.4)	1416.04	950.31
		8,20,074.49	5,82,634.52
	d) Loans against deposits	174.57	177.98
(ii)	Unsecured, Considered Good		
	a) Staff loans	102.34	91.35
	b) Security Deposits	346.10	157.62
		8,20,697.51	**5,83,061.47**

13.1 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.

13.2 Classification of loans and provisions made for non-performing assets is given hereunder:

(₹ in Lakh)

Loans	As at March 31, 2015					As at March 31, 2014				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing loans (including instalments due from borrowers)										
Individuals	728376.26	609.99	688.67	85.29	729760.21	532108.38	256.51	690.22	53.13	533108.24
- Corporate bodies	2788.35	0.00	0.00	0.00	2788.35	1772.33	46.43	100.05	0.00	1918.81
Other Loans	90528.74	22.96	13.28	15.00	90579.98	49308.67	32.25	16.86	14.96	49372.74
Total Loans	**821693.35**	**632.95**	**701.95**	**100.29**	**823128.54**	**583189.38**	**335.19**	**807.13**	**68.09**	**584399.79**
Provision-Housing loans	-	91.50	552.74	85.29	729.53	-	38.48	428.37	53.13	519.98
Provisions for Other loans	-	3.44	10.41	15.00	28.85	-	11.80	111.91	14.96	138.67
Additional Provision - (Individuals, Corporate Bodies, Others)	0	538.01	138.80	-	676.81	-	284.92	266.85	-	551.77
Total	**-**	**632.95**	**701.95**	**100.29**	**1435.19**	**-**	**335.19**	**807.13**	**68.09**	**1210.42**

13.3 The accounts where the tenure of repayment was extended on 30/11/2013, upon review, the Company has classified such accounts as on 31/03/2015 as Standard Assets in respect of Loan accounts having satisfactory performance of one year and where the overdues are less than 90 days. In respect of loan accounts where the overdues are more than 90 days, they have been classified as NPA.

13.4 Recognition of income and provision for non-performing assets has been made in accordance with the guidelines on prudential norms applicable as of March 31, 2015. Provision of loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹758.38 lakh (Previous year ₹658.65 lakh) against which the company, by way of prudence and abundant caution has maintained cumulative provision of ₹1435.19 lakh(Previous year ₹1210.42 lakh).

13.5 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 6, 2013, in addition to the provision for non performing assets, 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

Notes forming part of the Financial Statements

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 0.40% 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. Accordingly the Company has made provision for Standard assets as detailed below.

(₹ in Lakh)

Particulars	2014-15		2013-14	
	Outstanding	Provisions	Outstanding	Provisions
(i) Standard Assets – Commercial Real Estate	67,929.54	679.29	31,192.84	311.93
(ii) Standard Assets – Commercial Real Estate – Residential Housing	19,064.42	142.98	0.00	0.00
(iii) Standard Assets – Other than (i) & (ii) above	7,34,699.39	2,938.80	5,51,996.54	2,207.98
Total Standard Assets & Provisions required	8,21,693.35	3,761.07	5,83,189.38	2,519.91
Total Provision made for Standard Assets		**3,800.00**		**2,600.00**

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
14 CASH AND CASH EQUIVALENTS		
Balance with Banks - regular operations	0.14	0.11
Cash on hand	6.59	7.11
Cheques on hand	202.23	245.41
Deposits with Banks held for SLR	460.00	596.50
Balance with Banks – Dividend A/c	83.63	66.23
Balance with Banks – Share application A/c	47.62	0.00
	800.21	**915.35**

15 SHORT TERM LOANS AND ADVANCES		
(i) Secured, Considered Good.		
Current Maturities of Long term Advances		
- Housing Loans - Individuals / staff	359.62	269.93
- Housing Loans - corporate bodies & others	1,161.07	504.39
- Non Housing Loans	117.32	40.63
	1,638.00	814.95
Less: Provision for Non Performing Assets	19.15	260.11
	1,618.85	554.85
(ii) Unsecured, Considered Good		
Other advances (Refer Note 15.1)	7,836.35	3,799.46
Staff Advances	28.58	26.18
	9,483.78	**4,380.48**

15.1 Other Advances includes unamortised discount on Commercial Paper (CP) amounting to ₹2,929.13 lakh (previous year Nil) and Advance Taxes paid (net of provisions) ₹4,906.04 lakh (previous year ₹3,797.15 lakh).

16 OTHER CURRENT ASSETS:		
Interest Accrued on Investments held for SLR	32.68	45.64
	32.68	**45.64**

Notes forming part of the Financial Statements

17 CONTINGENT LIABILITIES

(₹ in Lakh)

Nature of claims	As of 31.03.2015	As of 31.03.2014	Risk involved
Disputed Income Tax matters under appeal:	761.16	927.55	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. 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 lakh out of the refunds determined to the Company. The alleged demand for the Asst. Year 2007-08 (under appeal) amounting to ₹448.13 lakh towards the alleged Income Tax and interest, is continued to be shown as such under disputed Tax. 3. An amount of ₹16.44 lakh 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 lakh to be adjusted against the refund due to the Company.
Claims made by borrowers of the company before various Consumer Forums.	4.66	3.16	1. There are four cases in Consumer Court and one case in High Court pending where compensation is sought against the Company.

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
18 REVENUE FROM OPERATIONS		
(i) **Interest Income**		
Housing Loans Individuals	68,630.40	50,876.26
Housing Loan Corporate Bodies & others	445.91	290.18
Non Housing Loans	9,546.95	4,380.87
Staff Loans	8.96	7.53
Loans against deposits	20.50	9.44
Investments and Deposits	136.85	141.08
	78,789.57	55,705.36
(ii) **Fees and Other Charges**	**2,841.08**	**2,069.05**
	81,630.64	**57,774.41**

Notes forming part of the Financial Statements

(₹ in Lakh)

Particulars	As at March 31, 2015	As at March 31, 2014
19 OTHER INCOME		
Profit on sale of fixed assets	36.72	0.00
Bad debts recovered	31.23	22.19
Miscellaneous income	4.77	3.77
	72.72	**25.96**

20 EMPLOYEE BENEFIT EXPENSES		
Salary and Wages	2,005.71	1,480.10
Contribution to Provident Fund and other Funds	311.07	210.64
Staff Training and Welfare Expenses	158.31	99.20
	2,475.08	**1,789.94**

21 FINANCE COSTS		
Interest on Deposits	1,677.57	1,667.01
Interest on Borrowings	59,153.15	40,425.50
Other Financial charges	198.23	184.21
	61,028.95	**42,276.72**

22 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Fixed Assets	373.25	201.03
	373.25	**201.03**

23 OTHER EXPENSES		
Advertising	126.61	105.30
Bad debts written off	210.08	321.73
Bank Charges	27.22	20.65
Direct Selling Agent's commission	755.88	632.76
Director's sitting Fees	10.55	5.30
Electricity charges	79.62	59.56
Insurance	9.17	6.36
Miscellaneous Expenses	86.93	88.05
Postage, Courier & Telephone	63.57	47.42
Printing and Stationery	32.47	32.06
Professional Fees	151.68	162.77
Professional Fees – IBS (Refer Note 23.1)	239.08	193.04
Statutory Auditors Fees (Refer Note 23.2)	21.07	13.13
Rates and Taxes	68.30	50.67
Rent	523.69	408.23
Repairs & Maintenance	133.74	163.15
Travelling and Conveyance	116.43	89.90
Loss on Sale of Fixed Assets	0.00	0.66
	2,656.09	**2,400.75**

Notes forming part of the Financial Statements

23.1 The Company has entered into lease cum licence agreement with M/s Theme Encore Ltd., for implementation of Integrated Business Suite (IBS) software. The expenditure incurred in this regard amounting to ₹239.08 lakh (Previous Year ₹193.04 lakh) is charged off to the P & L account under Professional fees – IBS.

23.2 Auditor's remuneration (net of Service Tax)

(₹ in Lakh)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Audit Fees/Tax Audit (Including Branch Statutory Auditors fees)	20.72	12.53
Other Services (Certificates etc.,)	0.35	0.60
Out of Pocket Expenses	3.36	0.95
Total	**24.43**	**14.08**

23.3 Remuneration to Managing Director/s (net of Service Tax)

(₹ in Lakh)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
(i) Salaries – Shri C Ilango	13.25	12.33
(ii) Incentives for 2011-12 to 2013-14 – Shri C Ilango	6.77	0.00
(iii) Provident Fund, Gratuity etc., - Shri C Ilango	0.64	0.64
(iv) Provident Fund, Gratuity etc., - Shri K K Deb	0.76	0.00
Total	**21.42**	**12.97**

24

The Company has provided 100% provision for Non-Performing assets. Additional Provision provided in the current year is ₹224.77 lakh (previous year ₹ Nil) and withdrawal of excess provision in the current year ₹ NIL (previous year ₹355.69 lakh)

25

Earnings per share has been computed based on the Profit After Tax and the weighted average number of shares during the year as below:

(₹ in Lakh)

Particulars		Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax (₹ in lakh)	(a)	8624.30	7571.19
Weighted average No. of shares (₹ in lakh)	(b)	208.05	204.85
Basic earnings per share (₹)	(a/b)	41.45	36.96
Diluted earnings per share (₹)	(a/b)	41.45	36.96
Nominal value per share (₹)		10.00	10.00

26 Disclosure required as per NHB

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 issued by the National Housing bank.

a) Capital to Risk Assets Ratio (CRAR)

Items	Current Year*	Previous Year
i) CRAR (%)	18.39%	13.84%
ii) CRAR – Tier I Capital (%)	15.60%	13.08%
iii) CRAR – Tier II Capital (%)	2.79%	0.76%

Tier II capital includes Provision for Standard Assets.

Notes forming part of the Financial Statements

b) Exposure to Real Estate Sector

(₹ in Lakh)

Category	Current Year	Previous Year
a) 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 lakh.	3,11,267.59	2,16,967.00
- Individual loans above ₹15 lakh.	4,69,137.49	3,15,179.00
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:	42,672.76	6,074.73
iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -		
a) Residential	Nil	Nil
b) Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)	Nil	Nil

c) Asset Liability Management

Maturity Pattern of Certain items of Assets & Liabilities as on March 31, 2015

(₹ in Lakh)

Loans	In Days			In Months								
	1 - 14	15 – 30	30-60	>2M = 3M	>3M =6M	>6M =12M	>1Y =3Y	>3Y =5Y	>5y =7Y	>7Y =10Y	>10Y	Total
Liabilities												
Borrowings from Banks	0	0	57	57	783	13727	58702	50808	41153	27402	921	193611
Borrowings from NHB	0	0	0	0	10544	20705	52409	74383	65410	50748	47836	322034
Market Borrowings-												
Deposits	620	297	995	843	2375	7954	8612	495	19	0	0	22209
NCD/CP	0	0	25000	15000	32500	25000	55000	0	0	10000	0	162500
Assets												
Advances	2620	1500	5137	4900	12835	26908	109307	110717	116252	153478	279477	823129
Investments	0	0	0	20	200	240	0	994	0	0	500	1954

27 Particulars of dividend paid to Non-resident shareholders:

Year in which dividend paid	2014-15	2013-14
No of Shareholders	208	190
No of Shares held	1,90,817	1,22,255
Gross amount of Dividend (Rupees)	12,40,311	4,89,020

Notes forming part of the Financial Statements

28 Disclosure on Employee Benefits – AS 15 Revised

Gratuity is an Employee Benefit payable on retirement / superannuation / resignation on completion of 5 years of service.

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 max of 240 days.

Provident Fund is a statutory employee benefit wherein contributions are made by the employee and employer in prescribed proportion.

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.

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)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
1	Present value of Projected Benefit obligation as on 01/04/13 & 01/04/14	672.86	633.14	1602.12	1289.49	43.92	40.49	0.00	0.00	390.83	327.88
2	Service Cost	30.04	32.01	353.54	269.59	4.36	3.95	46.52	37.14	33.02	17.35
3	Interest Cost	60.37	49.99	148.37	120.00	3.95	3.24	0.00	0.00	19.04	24.97
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Actuarial Gains (+) Losses (-)	33.72	-25.82	-0.60	-6.98	0.17	-3.76	0.00	0.00	84.01	52.08
6	Benefit Paid	-4.16	16.46	75.38	69.96	0.00	0.00	0.00	0.00	-47.76	31.46
7	Present Value of Projected Benefit Obligations as on 31/03/14 & 31/03/15 (1+2+3+4+5– 6)	792.82	672.86	2028.05	1602.12	52.41	43.92	46.52	37.14	479.14	390.83

ii. Expenses recognised in the Statement of Profit and Loss Account for the year ended 31.03.2015

(₹ in Lakh)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
1	Service Cost	30.04	32.01	353.54	269.59	4.36	3.95	46.52	37.14	19.04	17.36
2	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Interest Cost	60.37	49.99	148.37	120.00	3.95	3.24	0.00	0.00	33.03	24.97
4	Actuarial Gains (-) Losses (+)	43.64	-25.82	22.33	18.43	0.17	-3.76	0.00	0.00	84.01	52.08
5	Expected Return on Plan Assets	15.53	14.72	160.10	127.82	0.00	0.00	0.00	0.00	0.00	0.00
6	Benefits paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Amount charged to Employees remuneration And benefits & other Expenses (1+2+3+4-5-6)	118.52	41.46	364.14	280.20	8.49	3.44	46.52	37.14	136.07	94.41

Notes forming part of the Financial Statements

28 Disclosure on Employee Benefits – AS 15 Revised *(Contd.)*

iii. Reconciliation of Opening Balances and Closing Balances of Plan Assets

(₹ in Lakh)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
1	Opening Balance	165.58	167.33	1571.19	1269.16	0.00	0.00	0.00	0.00	0.00	0.00
2	Expected Return	15.53	14.72	160.10	127.82	0.00	0.00	0.00	0.00	0.00	0.00
3	Actuarial Gains (+) Losses (-)	(9.92)	0.00	(22.93)	(25.41)	0.00	0.00	0.00	0.00	0.00	0.00
4	Contribution by employees	8.80	0.00	353.54	269.59	0.00	0.00	0.00	0.00	47.76	31.47
5	Benefits paid	4.16	16.46	75.38	69.96	0.00	0.00	0.00	0.00	47.76	31.47
6	Closing balance (1+2+3+4-5)	175.82	165.58	1986.51	1571.19	0.00	0.00	0.00	0.00	0.00	0.00

iv. Actuarial Assumptions

Sl. No.	Description	As at March 31, 2015	As at March 31, 2014
1	Discount Rate per annum	7.80%	9.00%
2.	Rate of Return on Plan Assets	Gratuity 6.50% Exempted PF 9%	Gratuity 9.25% Exempted PF 9%
3	Mortality Rate	Indian Assured Lives (1994-96) Ultimate Table	Indian Assured Lives (1994-96) Ultimate Table
4	Withdrawal rates (per annum)	9.58%	10.71%
5	The estimates of future salary increases considered in actuarial valuation, take into account escalation, inflation, seniority, Promotion and other relevant factors	7.00% for the next five years	7.00% for the next five years

29

Segment Reporting – There are no separate reportable segments as per Accounting Standard on Segment Reporting (AS-17) as the company's primary business is of housing finance.

30

The transactions with related parties as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India and as required under the Listing Agreement with Stock Exchanges are furnished below:

(A) Related Parties:

Canara Bank	Sponsor Bank
Canbank Factors Ltd. Canbank Computer Services Ltd. Canara Robeco Asset Management Services Ltd. Canbank Financial Services Ltd. Canbank Venture Capital Fund Canara Bank Securities Ltd Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	Subsidiaries of Canara Bank

Notes forming part of the Financial Statements

30 *(Contd.)*

(B) Key Management Personnel:

Shri C.Ilango - Managing Director
Shri K.S.Sathyaprakash – Company Secretary upto 31/03/15
Shri Atanu Bagchi – Assistant General Manager & Chief Financial Officer (CFO)
Smt. Veena G Kamath – Company Secretary w.e.f. 01/04/15

(C) Transactions with Related Parties:

(₹ in Lakh)

Sl. No.	Related Party	Nature of Transaction	2014-15	2013-14
1	Canara Bank	Term Loans & other credit facilities	222057.67	239803.91
		Interest paid for the year	23457.11	19810.76
		Deposits as on 31/03/15	460.00	596.50
		Interest earned for the year	48.28	35.93
		Rent paid for the year	36.47	34.85
		Bank charges for the year	27.19	20.65
		Salary of deputed staff	-	-
		Salary of Managing Director/s	21.42	14.58
		Other Payments for the year	5.07	1.21
		Rent Received from Bank	1.48	2.07
		Guarantee in respect of Rights Issue to BSE	138.28	0.00
2	Canbank Computer Services Ltd	Registrar & Transfer Agency charges for the year	6.23	4.62
		IT Services	0.00	0.00
		Other Services	0.00	2.07

(Amount written off: Nil
Amount written back: Nil
All the above are transacted in the normal course of business.)

31

The National Housing Bank has levied penalty of ₹2000/- (previous year Nil) for a single instance of delayed submission of one Statutory Return.

32

The adverse comments on the company made in writing by the National Housing Bank on Regulatory compliance, which requires disclosure have been disclosed wherever required.

33

The Company has appointed one woman director from 22/09/2014 in compliance to section 149 of the Companies Act, 2013.

Notes forming part of the Financial Statements

34

The Company has constituted Corporate Social Responsibility (CSR) Committee to prescribe CSR policies and its implementation as per the section 135 of Companies Act, 2013. The CSR policy has been approved by the Committee on 19/01/15 and the Board of Directors on 20/01/15 and the same is already uploaded in the Company's website. The total amount to be spent under the CSR for the F.Y. 2014-15 is to the extent of ₹162 lakh (previous year Nil), out of which the Company has so far spent ₹3.10 lakh during the year. The balance unspent amount of ₹158.90 lakh will be carried forward to F.Y. 2015-16.

35

The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010.

36

Previous year figures have been rearranged/regrouped wherever necessary to correspond with the current year's classification/ disclosure.

For K P Rao & Co, *Chartered Accountants* FR NO-003135S	K.N.Prithviraj *Chairman*	C Ilango *Managing Director*	P.B.Santhanakrishnan *Director*
Surya Prakash K *Partner* Membership No: 018857	S.A.Kadur *Director*	T.V.Rao *Director*	P.V.Bharathi *Director*
Place: Bangalore Date: May 04, 2015	Atanu Bagchi *Chief Financial Officer*	Veena G Kamath *Company Secretary*	

List of branches as on 02/06/15

Sl. No.	Branch Name	Address
1	Agra	CAN FIN HOMES LTD No.7/9, 1st Floor, Sector 9, Awas Vikas Colony, Near Kargil Petrol Pump, Sikandra Bodla Road, Agra Uttar Pradesh Tel:0562 -2600199 | E-mail id: agra@canfinhomes.com
2	Ahmedabad	CAN FIN HOMES LTD No.203, Samedh Building, Second Floor, C G Road, Near Associated Petrol Pump, Ahmedabad-380 006 Tel:079-26405312/26560759 | Email id: ahmedabad@canfinhomes.com
3	Bangalore – Basavanagudi	CAN FIN HOMES LTD No.29/1, 1st Floor, Sir M N Krishna Rao Road, Basavanagudi, Bangalore – 560 004 Tel: 080 – 2656 0277 | E-mail id: basavanagudi@canfinhomes.com
4	Bangalore – Begur	CAN FIN HOMES LTD No. 2 & 4, Shanti Priya Layout, Devarachikkanahalli Road, Behind Govt High School, Bangalore – 560 068 Tel: 080 – 25740123 | E-mail id: begur@canfinhomes.com
5	Bangalore – Bidadi	CAN FIN HOMES LTD Sri Annapoorneshwari Complex, 1st Floor, (above Canara Bank), Bangalore – 562109 Tel: 080 – 27282580 | E-mail id: bidadi@canfinhomes.com
6	Bangalore-Cunningham Road	CAN FIN HOMES LTD No - 19/5, 'KAREEM TOWERS',I Floor, Cunningham Road, Bangalore-560 052 Tel:080-22266430/22262003 | Email id:cunninghamroad@canfinhomes.com
7	Bangalore -Devanahalli	CAN FIN HOMES LTD No.19/18/2598/2431/2105, 1st Floor, Raja Rao Complex, Opp, SBI, Tippu Sultan Road, Devanahalli, Bangalore – 562 110 Ph: 080-27682007 | E-mail: devanahalli@canfinhomes.com
8	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
9	Bangalore-Hesaraghatta road	CAN FIN HOMES LTD No 765, 1st Floor, MEI Layout, 60 feet Road, Bagalagunte, Hesaraghatta Road, Bangalore-560 073 Tel:080-28390315 | Email id:hesaraghatta@canfinhomes.com
10	Bangalore – HRBR Layout	No. 2C-707, Ground Floor, 7th Main, 2nr Cross, 1st Block, HRBR Layout, Bangalore – 560 043 Tel :080-2545 0092 | E-mail id: hrbr@canfinhomes.com
11	Bangalore-Jayanagar	CAN FIN HOMES LTD "Sajini",#69,Old no.35,Basement, Ground &I floor,12th main Jayanagar, 3rd Block, Bangalore-560 011 Tel:080-26630776/26630501 | Email id:Jayanagar@canfinhomes.com
12	Bangalore – Kanakapura Road	CAN FIN HOMES LTD No.58, 1st Floor, Sri Channakeshava Swamy Nilaya, 6th Cross, Raghuvanahalli, Opp. YDIT, Kanakapura Main Road, Bangalore – 560 062 Tel : 080-69999326 | E-mail id : kanakapura@canfinhomes.com

Sl. No.	Branch Name	Address
13	Bangalore-Kengeri	CAN FIN HOMES LTD #931,1st Floor, 1st Main,7th Cross, Kengeri Satellite Town, Bangalore-560 060 Tel:080-28486098/99 | Email id: kengeri@canfinhomes.com
14	Bangalore-Koramangala	CAN FIN HOMES LTD No.586, II Floor, 80 ft.road,Near Police Station,Opp.Bethany School, 8th Block, Koramangala, Bangalore-560 095 Tel:080-25703723/25703722 | Email id: koramangala@canfinhomes.com
15	Bangalore – K R Puram	CAN FIN HOMES LTD No- 414, Pooja Complex, Old Madras Road, K R Puram, Bangalore – 560 036 E-mail id: krpuram@canfinhomes.com
16	Bangalore-Marathahalli	CAN FIN HOMES LTD No 14,Ground Floor "Krishna Towers" Outer Ring Road Cross (service road), Marathahalli, Bangalore-560 037 Tel:080-25401332 | Email id: marathahalli@canfinhomes.com
17	Bangalore-Nelamangala	CAN FIN HOMES LTD 1ST Floor, Nandi Complex, K No.2151, Opp. Taluka Panchayath Office, Subhash Nagar, Bangalore - 562 123 Tel-080-27722664 | E-mail id: nelamangala@canfinhomes.com
18	Bangalore-Sahakarnagar	CAN FIN HOMES LTD 116/3, First Floor, G Block, 60 Feet Road, Sahakarnagar, Bangalore-560 092 Tel:080-23636425 | Email id: sahakarnagar@canfinhomes.com
19	Bangalore - Sarjapur Road	CAN FIN HOMES LTD No.1569, 2nd Floor, Outer Ring Road, Sector 1, HSR Layout, Bangalore-560 103 Tel : 080 – 22583623/22583643 | E-mail id: sarjapur@canfinhomes.com
20	Bangalore-Uttarahalli	CAN FIN HOMES LTD #39,Ground Floor, Subramanyapura Main Road, Chikkalasandra, Near Prarthana School, Bangalore-560 061 Tel:080-26394003/26394009 | Email id: uttarahalli@canfinhomes.com
21	Bangalore-Vijayanagar	CAN FIN HOMES LTD No 148/E,I Floor, Siddalingeswara Towers, 17th MAIN, East Of Chord Road, Vijayanagar, Bangalore-560 040 Tel:080-23404965/23359162 | Email id: vijayanagar@canfinhomes.com
22	Baroda	CAN FIN HOMES LTD No.4,5,6,First Floor,Plot No.24, Spring Field Complex, Hari Nagar Co-Operating Housing Society, Hari Nagar Chhar Rasta, Gotri Road, Vadodara-390 021 Tel:0265-2388326/2388327 | Email id: baroda@canfinhomes.com
23	Belgaum	CAN FIN HOMES LTD Shop No. 5, Ground Floor, Classic Manor, Somwar Peth, Tilakwadi, Belgaum – 590 006 Tel: 0831 - 2464577 | Email id: belgaum@canfinhomes.com
24	Bhopal	CAN FIN HOMES LTD Plot No 1, 1st Floor, Zone 2, M P Nagar, Bhopal-462 011 Tel:0755-2577939/2577935 | Email id: bhopal@canfinhomes.com
25	Bhubaneswar	CAN FIN HOMES LTD Plot No. SCR - 44, 1st Floor, Kharavela Nagar, Unit 3, Bhubaneswar – 751 001 Tel : 0674-2393345 / 0674-2393061 | Email id: bhubaneswar@canfinhomes.com

Sl. No.	Branch Name	Address
26	Calicut	CAN FIN HOMES LTD 18/1145 D, Ist Floor, K T Commercial Complex, Jail Road,Calicut-673 004 Tel-0495-2704883/2704884 | Email id:calicut@canfinhomes.com
27	Chandigarh	CAN FIN HOMES LTD SCO-87,I Floor Sector 47-D, Chandigarh-160 047 Tel:0172-2632925, 2632097 | Email id: chandigarh@canfinhomes.com
28	Chengalpattu	CAN FIN HOMES LTD Plot No.28, Ground Floor, Lawyer Krishnaswamy Street, Vedachalam Nagar, Chengalpattu – 603 001 Tel :044 - 27426466 | E-mail id:Chengalpattu@canfinhomes.com
29	Chennai- Ambattur	CAN FIN HOMES LTD Old No.29A, new No.7A, Ground Floor, High School Road, Secretariat Colony, Chennai-600 053 Tel:044-26572050 | Email id: ambattur@canfinhomes.com
30	Chennai- Anna Salai	CAN FIN HOMES LTD NO.770/A, Spencer Tower Annexe, Anna Salai, Chennai-600 002 Tel:044-28497026/28496318 | Fax:28497027 | Email id:chennai@canfinhomes.com
31	Chennai- Perungudi	CAN FIN HOMES LTD Ground Floor,Grihalayaloganayaki, Plot No.17,Door No.26/62, 1st Main Road, Tirumalai Nagar Annexe, Perungudi, Chennai-600 096 Tel : 044-24965656 | Email id:omr@canfinhomes.com
32	Chennai-Porur	CAN FIN HOMES LTD 44/2,Somasundaram avenue, Sakthi Nagar Main Road, Porur, Chennai-600 116 Tel:044-22520032 | Email id: porur@canfinhomes.com
33	Chennai- Red Hills	CAN FIN HOMES LTD No.7, Madhavaram High Road, (off GNT Road), Chennai-600 052 Tel:044 26322077 | E-mail id: redhills@canfinhomes.com
34	Chennai- Tambaram	CAN FIN HOMES LTD No.52,1st floor, Raj Kamal complex, Gandhi Road, Tambaram West, Chennai-600045 Tel:044-22260600/22260640 | Email id:tambaram@canfinhomes.com
35	Cochin	CAN FIN HOMES LTD 39/3728, Vishnupriya, Manikkiri, M G Road,Pallimukku, Ernakulam, Cochin-682 016 Tel:0484-2356855/2356826 | Email id: cochin@canfinhomes.com
36	Coimbatore	CAN FIN HOMES LTD 439, Lawrance Complex, Cross Cut Road, Gandhipuram, Coimbatore-641 012 Tel:0422-2235977/2230163 | Email id: coimbatore@canfinhomes.com
37	Coimbatore- P N Palyam	CAN FIN HOMES LTD City Palace, 1st Floor, Railway Feeder Road, Near LMW, P N Palyam, Coimbatore-641 020 Tel:0422-2693235 | Email id:pn.palyam@canfinhomes.com
38	Davangere	CAN FIN HOMES LTD D.No.633,I Floor, K B Extension, Opp to Bellary Siddamma Park, Trishul Talkies Road, Davanagere - 577 002 Tel:0819-2270345/2235006 | Email id:davangere@canfinhomes.com
39	Dehradun	CAN FIN HOMES LTD 38, Arhat Bazar, Shaharanpur Chowk, Dehradun-248001 Tel:0135 -2520242 | Email id:dehradun@canfinhomes.com

Sl. No.	Branch Name	Address
40	Dharuhera	CAN FIN HOMES LTD 1st Floor , Opp. Municipal Office, Sohna Road, Dharuhera - 123 106, Haryana Tel - 01274 - 242381 | E-mail id:dharuhera@canfinhomes.com
41	Dindigul	CAN FIN HOMES LTD #91, Sona Towers, Shop no. 21-23, Palani Road, Dindigul – 624 001 Tel: 0451 – 2433272 | E-mail: dindigul@canfinhomes.com
42	Erode	CAN FIN HOMES LTD #64/5,GRDI Complex, Second Floor, Perundurai Road, Erode, Erode –638011 Tel : 0424 – 2255563 | erode@canfinhomes.com
43	Goa	CAN FIN HOMES LTD 307&308,III Floor, KAMAT TOWERS, Patto, Panjim, Goa-403 001 Tel:0832-2438517,2438518 | Email id:goa@canfinhomes.com
44	Guntur	CAN FIN HOMES LTD 4-1-1, 1st floor, GAYATRI PLAZA, Main Road, Koritipadu, Guntur-522 007 Tel:0863-2333064 | Email id: guntur@canfinhomes.com
45	Gwalior	CAN FIN HOMES LTD 1st Floor, Business Centre, Plot.No.31, Near Income Tax, City centre, Gwalior – 474 009 Tel: 0751-2233865 | Email id: gwalior@canfinhomes.com
46	Hosur	CAN FIN HOMES LTD Door No.74, First Floor, 3rd Cross, Kamarajar Colony, Hosur-635 109 Tel:04344-220001/220040 | Email id:hosur@canfinhomes.com
47	Hubli	CAN FIN HOMES LTD Ground Floor, Eureka Junction, Giriraj Annexe, Circuit House Road, Hubli-580 029 Tel:0836-2256390,2256464 | Email id:hubli@canfinhomes.com
48	Hyderabad-Gachibowli	CAN FIN HOMES LTD D.No.2-52/88, 2nd Floor, Sai Teja Enclave, Indira Nagar, Gachibowli, Hyderabad – 500 032 Tel:040-23000030 | Email id:gachi.bowli@canfinhomes.com
49	Hyderabad - Kompally	CAN FIN HOMES LTD Flat No: 102, 1st Floor, SMR Complex, Plot No: 15, Behind More Super Market, Suchitra 'X' Roads, Jeedimetla Village, Hyderabad - 500057 Ph:040-27940410 | Email id: Kompally@canfinhomes.com
50	Hyderabad-Nampally	CAN FIN HOMES LTD Doyen Trade House, 5-9-100, Public Garden Road, Hyderabad-500 001 Tel:040-23233385/23231626 | Fax:040-23242166 | Email id: hyderabad@canfinhomes.com
51	Hyderabad – Ramachandra-puram	Can Fin Homes Ltd Plot No. 28 Brahmarambika Colony, Beeramguda,Ramachandrapuram, Hyderabad – 502 032 Tel: 08455 – 280777 | E-mail id:ramachandrapuram@canfinhomes.com
52	Hyderabad-Kukatpally	CAN FIN HOMES LTD Unit No-201, Vijaya Sai Towers, Opp: BJP Office, Kukatpally Main Road, Hyderabad - 500 072 Tel :040 – 23053459/23055459 | Email id: kukatpally@canfinhomes.com
53	Hyderabad – LB Nagar	CAN FIN HOMES LTD #3-11-413/2, Shiva Ganga Colony, LB Nagar, Hyderabad – 500 074 Tel: 040 - 49501072 | Email id: lbnagar@canfinhomes.com

Sl. No.	Branch Name	Address
54	Hyderabad-Tarnaka	CAN FIN HOMES LTD # 12-13-416/1, 2nd Floor, Street No- 1, Tarnaka, Secunderabad-500 017 Tel:040-27005553 | Email id:taranaka@canfinhomes.com
55	Indore	CAN FIN HOMES LTD Sakar Bhawan, 1st Floor, 21/4, Ratlam Kothi, Dhakkanwala Kuan Main Road, Indore – 452 001 Tel : 0731 -2521194/95 | Email id:indore@canfinhomes.com
56	Jaipur	CAN FIN HOMES LTD Office Nos.S-14 to S-21, 2nd Floor, Geejgarh Towers, Jaipur Tel:0141-2211644/2211645 | Email id:jaipur@canfinhomes.com
57	Jodhpur	No 301, III floor, Front side, Sabu Tower, 2nd Chopasani Road, Jodhpur, Rajasthan Tel:0291-2640128 | Email-Id: jodhpur@canfinhomes.com
58	Kakinada	CAN FIN HOMES LTD C/o Krishna Rao, Popular auto mobiles, 21-1-3,Jawahar street ,1st Floor, Kakinada-533 001 Tel: 0884-2377898 | Email id:Kakinada@canfinhomes.com
59	Karimnagar	CAN FIN HOMES LTD D.No.2-3-31, Lahoti house, 1st Floor, Karimnagar – 505 001 Tel: 0878-2243299 | E-mail : karimnagar@canfinhomes.com
60	Karur	CAN FIN HOMES LTD MM Complex, 1st Floor, 9/1, Mohan Store Layout, Near Kannan Departmental Store, Sengunthapuram, Karur-639 002 Tel:04324-230970 | Email id:karur@canfinhomes.com
61	Kota	CAN FIN HOMES LTD 1-C-18, SFS, Front Side, First Floor, Sheela Choudhary Road, Talwandi, Kota-324 005. Email id:kota@canfinhomes.com
62	Lucknow	CAN FIN HOMES LTD #3,Shahnajaf Road, Ist Floor, SPEED BUILDING, Heazrat Ganj, Lucknow-226 001 Tel : 0522-4065123/2230331 | Email id: lucknow@canfinhomes.com
63	Madurai	CAN FIN HOMES LTD 564/1,Ground Floor, Sakthi Towers, 12th East Cross Street, Behind Naveen Bakery Anna Nagar, Madurai-625 020 Tel:0452-2524400/2539799 | Email id: madurai@canfinhomes.com
64	Mandya	CAN FIN HOMES LTD No.1689, 1st Floor, 100 Feet Road (Double Road), Vidyanagar, Mandya – 571 401 Tel: 0823 – 2222454 | E-mail id: mandya@canfinhomes.com
65	Mangalore	CAN FIN HOMES LTD Ground Floor, Canara Bank Building, Balmatta Road, Mangalore-575 001 Tel:0824-2440193/2442593 | Email id:mangalore@canfinhomes.com
66	Meerut	CAN FIN HOMES LTD #5,Pinnacle Tower First, Floor, Vaishali Corner, Garh Road, Meerut-250 002 Tel:0121-2779985 | Email id:meerut@canfinhomes.com
67	Mumbai-Borivali	CAN FIN HOMES LTD No.101, First Floor, 'Ganjawalla Elegance". Opp State Bank of Patiala, Ganjanwalla Lane, Mumbai-400 092 Tel:022-28924369/28925385/28918218 | Fax:28908545 | Email id: mumbai@canfinhomes.com

Sl. No.	Branch Name	Address
68	Mumbai-Vashi	CAN FIN HOMES LTD "GIRIRAJ", I Floor,SS-4/210 & 212, (Opp Meghraj Multiplex), Sector-2, Vashi, Navi Mumbai-400 703 Tel:022-27820168/27820169 | Email id:navimumbai@canfinhomes.com
69	Mysore	CAN FIN HOMES LTD No. 16, 1st Floor, Sita Vilas Road, Near Marimallappa School, Chama raja Mohalla, Mysore-570 024 Tel:0821-2429699/2422377 | Email id:mysore@canfinhomes.com
70	Nagpur	CAN FIN HOMES LTD Plot No.M-3, First Floor, West Side WHC Main Road, Near Aath Raasta Square, Scientific Layout Nagpur 440 022 Tel:0712-2233898 | E-mail id: nagpur@canfinhomes.com
71	Namakkal	CAN FIN HOMES LTD No.387/1, Aarthi Complex, 1st Floor, Namakkal – 637 001 Tel: 04286-274252 | E-mail id: namakkal@canfinhomes.com
72	Nashik	CAN FIN HOMES LTD No.F-12, First Floor, Suyojit Sankul, Above Bafna Jewellers, Nashik – 422 002 Tel:0253 2318305 | E-mail id: nashik@canfinhomes.com
73	NCR-Faridabad	CAN FIN HOMES LTD # 59-60, I Floor, Neelam Bata Road, NIT, Opp. RG Stone Hospital, Faridabad - 121001 Tel : 0129 - 2436596, 0129 – 2436527 | Email id : faridabad@canfinhomes.com
74	NCR - Greater Noida	CAN FIN HOMES LTD Shop. No – 4, 4th Floor, Plot No – 3, S L Towers, Alpha – I, Opp. Golf Course, Greater Noida – 201 308 Tel –0120 - 2396221 | E-mail id :greaternoida@canfinhomes.com
75	NCR-Gurgaon	CAN FIN HOMES LTD SCO No. 34 & 35, I Floor, Sector 10-A, (Above Canara BANK), Gurgaon-122 002 Tel:0124-2370760 | Email id:gurgaon@canfinhomes.com
76	NCR-New Delhi	CAN FIN HOMES LTD 1ST Floor, DDA BUILDING, Near Paras Cinema, Nehru Place, New Delhi-110 019 Tel:011-26487529/26435815/26430236 | Fax: 26473318 | Email id: delhi@canfinhomes.com
77	NCR-Noida	CAN FIN HOMES LTD Plot No. C-3, 1st Floor, (Above Canara Bank), Sector – 1, Noida – 201 301 Tel : 0120-2970164 / 65 / 67 | Email id: noida@canfinhomes.com
78	Nellore	CAN FIN HOMES LTD D No.15-276, 1st Floor, Above Syndicate Bank, Nellore - 524001 Tel: 0861-2334781 | E-mail id: nellore@canfinhomes.com
79	New Panvel	CAN FIN HOMES LTD Ground floor, Shreeji Sangh, C.H.S.Ltd, Shop No.2, Plot no.15 & 16, Sector – 7, New Panvel – 410 206 Tel: 022-27459355 | E-mail id: panvel@canfinhomes.com
80	Ongole	CAN FN HOMES LTD D no.7-331(4), 1st Floor, above State Bank of Mysore, Ongole – 523 002 Tel:08592-282023 | E-mail id: ongole@canfinhomes.com
81	NCR-New Delhi Pitampura	CAN FIN HOMES LTD No 8,First Floor, Vaishali Enclave, Pitampura, New Delhi-110 034 Tel:011-27315619 | Email id: pitampura@canfinhomes.com

Sl. No.	Branch Name	Address
82	Patna	CAN FIN HOMES LTD "Deep House", 2nd Floor, Nala Road (Near Shiva Mandir), Patna – 800 004 Tel: 0612-2721046,2721047 | Email id: patna@canfinhomes.com
83	Pondicherry	CAN FIN HOMES LTD 490, I floor, M G Road, Near Chinnakady, Pondicherry-605 001 Tel:0413-2338447/2222118 | Email id:pondicherry@canfinhomes.com
84	Pune	CAN FIN HOMES LTD 101, UMA Apartment, CTS-2027, Tilak Road, Near S P College, Pune-411 030 Tel:020-24321030/24321031 | Fax:25538531 | Email id: pune@canfinhomes.com
85	Raipur	CAN FIN HOMES LTD Sai Towers Building, I floor, Besides Azad Chowk Police Station, Amapara, G E Road Raipur-492 001 Tel:0771-2531100/4097077 | Email id:raipur@canfinhomes.com
86	Rohtak	CAN FIN HOMES LTD 1st Floor, Anand Plaza, Near Chottu Ram Chowk, Rohtak – 124 001 Tel: 01262-257852 | E-mail: rohtak@canfinhomes.com
87	Salem	CAN FIN HOMES LTD #1,Johnson pet Road, Hastampatty, Salem-636 007 Tel:0427-2420017 | Email id: salem@canfinhomes.com
88	Shimoga	CAN FIN HOMES LTD No.599, 1st Floor, Maruthi, 60 Feet Main Road, Police Chowki Circle, Shimoga-577 204 Tel:08182-254110 | E-mail id: shimoga@canfinhomes.com
89	Sonepat	CAN FIN HOMES LTD SCO-3, First Floor, Main Market,Sector – 14, Sonepat – 131 001 Tel: 0130-2235101 | E-mail:sonepat@canfinhomes.com
90	Sriperumbudur	CAN FIN HOMES LTD No.122 -123, I Floor, XVB Building, Gandhi Road, Sriperumbudur – 602 105 Tel :044 - 27162188 | E-mail id: sriperumbudur@canfinhomes.com
91	Thiruvallur	CAN FIN HOMES LTD #52, I Floor, TNHB, Kakalur Main Road, Thiruvallur – 602 001 Tel : 044 – 27666161 | E-mail : thiruvallur@canfinhomes.com
92	Tiruchengode	CAN FIN HOMES LTD No.86/17, Royal Towers, Sankari Main road, Seetarampalayam (Post), Tiruchengode – 637 209 Tel: 04288-255057 | E-mail : tiruchengode@canfinhomes.com
93	Tirunelveli	CAN FIN HOMES LTD Thiripura Arcade, III Floor, No.75-A, Trivandrum High Road, Tirunelveli – 627 002 Tel: 0462 – 2578567 | E-mail : tirunelveli@canfinhomes.com
94	Tirupathi	CAN FIN HOMES LTD D No.19-8-169, SBI Colony, Near Vijaya Bharathi TVS Show Room, Tirupathi – 517 501 Tel: 0877-2242692 | E-mail : tirupathi@canfinhomes.com
95	Trichur	CAN FIN HOMES LTD 1st Floor, Marva Arcade, Machingal Lane, MG Road, Trichur-680 001 Tel:0487-2332421/2331952 | Email id: trichur@canfinhomes.com
96	Trichy	CAN FIN HOMES LTD B-11,2nd floor, star Towers, Thillai Nagar, Trichy-620018 Tel : 0431-2744100, 0431-2744200 | Email id: trichy@canfinhomes.com

Sl. No.	Branch Name	Address
97	Trivandrum	CAN FIN HOMES LTD No.28/2452, Ground Floor, M G Roadm Trivandrum-695 001 Tel:0471-2477446/2461446 | Email id: trivandrum@canfinhomes.com
98	Tumkur	CAN FIN HOMES LTD I Floor, Sri Seetharama Temple Bldg., Someshwarapura Main Road, Tumkur-572 102 Tel:0816-2251514 | Email id: tumkur@canfinhomes.com
99	Udaipur	CAN FIN HOMES LTD. No-101, First Floor, Plot No-643, Subhash Villa Hiranmagri Sec 13, Udaipur- 313001. Email:Udaipur@canfinhomes.com
100	Udupi	CAN FIN HOMES LTD "Shri Malshi" 1st Floor, Court Back Road, Udupi – 576 101 Tel :0820 – 2520644 | E-mail id: udupi@canfinhomes.com
101	Varanasi	CAN FIN HOMES LTD D-58/12, A-2, Second Floor, "Jasmaa' Complex, Above Ksheer Sagar, Varanasi – 221010 Tel: 0542 2220221 | E-mail : varanasi@canfinhomes.com
102	Vellore	CAN FIN HOMES LTD #99D, Vellore Road, Katpadi, Vellore – 632 009 Tel: 0416-2242013 | E-mail: vellore@canfinhomes.com
103	Vijayawada	CAN FIN HOMES LTD 1st Floor, No.40-7-4, Donka Road, Mogalrajpuram, Vijayawada-520 010 Tel:0866-2474781/2481731 | Email id: canfinvja@sify.com
104	Virudhunagar	CAN FIN HOMES LTD Door No.7/3 B, First Floor, A P V Complex, Virudhunagar – 626 001 Tel: 04562-246566 | E-mail : virudhunagar@canfinhomes.com
105	Visakhapatnam	CANFIN HOMES LTD Ground Floor, Dn: 48-8-4, Behind Titan Showroom, Chaitanya College Lane, Dwarakanagar, Visakhapatnam-530016 Phone: 0891-2746736, 2591167 | Email: Visakhapatnam@Canfinhomes.com
106	Visakhapatnam Steel Plant	CAN FIN HOMES LTD D.No.31- 27 -56/7, 1st Floor, Opp. Annapurna theatre, Kurmannapalem, Visakhapatnam – 530046. Tel.No : 0891 -2747599 | Email id : vizagsteelplant@canfinhomes.com
107	Warangal	CAN FIN HOMES LTD Kandakatla's Gateway, H No.15-11-503 & 504, K V Road, Naimnagar, Warangal – 506 001 Tel No: 0870 2442166 | E-mail : warangal@canfinhomes.com

List of satellite offices as on 02/06/15

Sl. No.	Satellite Office Name	Address
1.	Yelahanka Satellite Office (Sahakarnagar Main Branch)	CAN FIN HOMES LTD No.1099, 1st Floor, 1st B Main Road, 16th B Cross, Yelahanka, Bangalore Tel:080 -28564502 | E-mail id: yelahanka@canfinhomes.com
2.	Gollapudi Satellite Office (Vijayawada Main Branch)	CAN FIN HOMES LTD D No.3-70, Opp Tamil Nadu Mercantile Bank Ltd, Vijayawada – 521 225 Tel: 0866 - 888668 | Email id: gollapudi@canfinhomes.com
3.	Ghaziabad Satellite Office (NCR New Delhi)	CAN FIN HOMES LTD No.GF-5, Ground Floor, Ansal Shivam Market Complex, RDC, NCR-Ghaziabad 201 002 Tel: 0120 – 2825555 | E-mail id: ghaziabad@canfinhomes.com
4.	Peelameedu Satellite Office (Coimbatore-Gandhipuram)	CAN FIN HOMES LTD No.88, 'D', First Floor, E S Corner, Avinashi Road, Hope College, Coimbatore 641 004 Tel: 0422 – 2591563 | E-mail id: peelameedu@canfinhomes.com
5.	Kazhakuttom Satellite Office (Trivandrum)	CAN FIN HOMES LTD No.2, Ground Floor., SS Complex, near Police Station, Trivandrum Tel: 0471 – 2415446 | E-mail id: kazhakuttom@canfinhomes.com
6.	Thiruvembur Satellite Office (Trichy)	CAN FIN HOMES LTD No.9 & 10, Riyaz Complex, 1st Floor, Erumbeeswarar Nagar, Trichy - 620013 Tel:- 0431 2511100 | Email id:thiruvembur@canfinhomes.com
7.	Durg Satellite Office (Raipur)	CAN FIN HOMES LTD Trilok Plaza, Mezzanine Floor, Opp Dr.Dhillon's Clinic, Gurudwara Road, Chhaisgarh - 491001 Ph: 0788 -4083067 | E-mail: durg@canfinhomes.com
8.	Mandideep Satllite Office (Bhopal)	CAN FIN HOMES LTD B-202, First Floor, Indra Nagar, Bhopal – 462046 Tel: 07480-233922 | E-mail id : mandideep@canfinhomes.com
9.	A S Rao Nagar Satellite Office (Hyd-Taranaka)	CAN FIN HOMES LTD 1st Floor, D.No.1-8-4/2, North Kamalanagar, Hyderabad – 500 062 Tel: 040-27148161 | Email id: asraonagar@canfinhomes.com
10.	Bagalur Satellite Office (Hosur)	CAN FIN HOMES LTD No.2/561, 1st Floor, Rajiv Nagar, Malur Main Road, Hosur-653103 Tel :04344-254020 | E-mail id: bagalur@canfinhomes.com
11.	Karamadai Satellite Office (CBE-P N Palyam)	CAN FIN HOMES LTD No.1/85, Ground Floor, Mettupalyam Main Road, Kondasami Naidu Nagar, Near Trigger Show Room, Karamadai, Coimbatore - 641104 Tel :04254-275595 | E-mail id: karmadai@canfinhomes.com
12.	Mansarovar Satellite Office (Jaipur)	CAN FIN HOMES LTD No.5, Ground Floor, RHB Shopping Center, Meer Marg, Mansarovar, Jaipur- 302020 Tel :0141-2974555 | E-mail id: mansarovar@canfinhomes.com
13.	Velur Satellite Office (Karur)	CAN FIN HOMES LTD No.13(11), First Floor, Old Byepass Road, Paramithi, Velur - 638182 Tel:04268-222068 | E-mail id: velur@canfinhomes.com
14.	Gugai Satellite Office (Salem)	CAN FIN HOMES LTD No.28, 1st Floor, Trichy Main Road, Opp.Old Prabhat Theatre, Gugai, Salem – 636006 Tel;0427-2464600 | E-mail id: gugai@canfinhomes.com

Sl. No.	Satellite Office Name	Address
15.	Thirumangalam Satellite Office (Madurai)	CAN FIN HOMES LTD D.No.46/1, HDFC Bank Building, Opp MEPCO Schlenk Primary School, Madurai Main Road, Thirumangalam – 625706, Madurai District Tel: 0459-282499 | E-mail id: thirumangalam@canfinhomes.com
16.	Yeshwanthpur Satellite Office (Cunningham Road)	CAN FIN HOMES LTD Shop No.7, No.580, Ground Floor, Ramachandra Complex, 9th Cross, 1st Main, Yeshwanthpur, Bangalore -560022 Tel: 080-23370023 | E-mail id: yeshwanthpur@canfinhomes.com
17.	Guduvancherry Satellite Office (Tambaram)	CAN FIN HOMES LTD No..202, 27E, Ground Floor, GST Road, Guduvancherry – 603202 (opp to Guduvancherry CB) Tel:044-27461224 | E-mail id: guduvancherry@canfinhomes.com
18.	Attibele Satellite Office (Electronic City)	CAN FIN HOMES LTD Site no.1, D-1014, First Floor, Opp Syndicate Bank, Attibele Circle, Sarjapur Road, Attibele, Bangalore – 562107 Tel: 080-27844440 | E-mail id: attibele@canfinhomes.com
19.	Thanisandra Satellite Office (HRBR)	CAN FIN HOMES LTD No.1, Ground Floor, 5th Main Road, Central Excise Layout, Shivaram Karanth Nagar, Bangalore- 560077 Tel:080-28443415 | E-mail id: thanisandra@canfinhomes.com
20.	Thirumazhisai Satellite Office (Porur)	CAN FIN HOMES LTD Old No.24, New No.32, Pillaiyar Koil Street, Thirumazhisai, Chennai 60012 Tel:044-26811645 | E-mail id: thirumazhisai@canfinhomes.com
21.	Magadi Road Satellite Office (Vijayanagar)	CAN FIN HOMES LTD No.85, 1ST Floor, SLV Temple Road, Anjanagara, Magadi Main Road, Bangalore – 560091 Tel: 080- | E-mail id: magadiroad@canfinhomes.com
22.	Arakkonam Satellite Office (Thiruvallur)	CAN FIN HOMES LTD No.89/2, First floor, Gandhi Road – 5, Arakkonam – 631003 Tel: [] | E-mail id: arakkonam@canfinhomes.com
23.	Aluva Satellite Office (Cochin)	CAN FIN HOMES LTD D.No.352/2, 1st Floor, Alookaran Complex, Market Road, Aluva – 683101 Tel: [] | E-mail id: aluva@canfinhomes.com
24.	Whitefield Satellite Office (Marathahalli)	CAN FIN HOMES LTD No.1, 1st floor, Hagadur colony, Immadihalli Main Road, Near Rama Temple, Whitefield, Bangalore – 560066 Tel: [] | E-mail id: whitefield@canfinhomes.com
25.	Bannerghatta Road Satellite Office (Jayanagar)	CAN FIN HOMES LTD No.4-16/44/1, I Floor, Anugraha Building, Singh Layout, Arekere, Near Paramount Apts, Bannerghatta Road, Bangalore – 76 Tel: [] | E-mail id: bannerghatta@canfinhomes.com

FORM SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To
Can Fin Homes Ltd.
CIN: L85110KA1987PLC008699
Registered Office: 29/1, Sir.M.N.Krishna Rao Road,
Basavamnagudi, Bengaluru – 560004
Tel:080 26564259/ 26565736

I/We _____the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest all the rights in respect of such securities in the event of my /our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

(2) PARTICULARS OF NOMINEE/S

Name:

Date of Birth:

Father's/Mother's/Spouse's name:

Occupation:

Nationality:

Address:

E-mail id:

Relationship with the security holder

(3) IN CASE NOMINEE IS A MINOR

Date of birth:

Date of attaining majority

Name of guardian:

Address of guardian:

Name:

Address:

Name of the Security Holder (s)

Signature

Witness with name and address

ECS Mandate

Mandatory compliance in terms of SEBI Circular CIR/MRD/DP/10/2013 dated 21/03/2013 for maintaining Bank Account particulars including IFSC code for making payments to investors by using any RBI approved electronic modes viz., ECS, NEFT etc.

Mandate form for Electronic payment mode

(For shares held in physical mode)

To

Canbank Computer Services Ltd
Registrar and Share Transfer Agents
Unit: Can Fin Homes Ltd.
J P Royale,No.218,1st Floor,2nd Main, Sampige Road,
(Near 14 Cross), Malleswaram, Bangalore - 560003
Ph:080-23469661/62/65, Fax:080-23469667/68

Dear Sir,

I hereby furnish necessary particulars about the shares held by me in physical mode and my Bank account particulars for electronic receipt of amounts, if any, from the Company.

The particulars are:

1. Folio No./Cert.No. :
2. Name of Registered Holder(s) :
3. Present Address :
4. Bank Account Details :
   a. Account Number (13 digit No./latest account no) :
   b. Bank A/c type : Savings/Current/NRE/NRO/Overdraft
      (Please tick the relevant account type and strike off others)
   c. Name of Bank :
   d. Branch Name :
   e. City with PIN :
   f. 9 digit MICR No. :
      (Please attach a blank "cancelled" Cheque or photocopy thereof)
   g. IFSC Code :
   h. Your e-Mail ID :
   i. Mobile No. :
   j. Residence Phone No.(With STD Code) :

I hereby declare that the particulars given above are correct and complete.

Yours faithfully,

(Signature of the 1st Registered holder(s) as per the specimen signature with the Company)

Name:

Date: Address:

In case you are not in a position to give a blank "cancelled" cheque or a photocopy thereof, a certificate as under may be furnished.

Certificate of the shareholder(s) Bank

Certified that the particulars furnished above are correct as per our records.

Signature of the Authorized Official from the Bank with official stamp

Date:

Mandatory compliance in terms of SEBI Circular CIR/MRD/DP/10/2013 dated 21/03/2013 for maintaining Bank Account particulars including IFSC code for making payments to investors by using any RBI approved electronic modes viz., ECS, NEFT etc.

ECS Mandate

Mandatory compliance in terms of SEBI Circular CIR/MRD/DP/10/2013 dated 21/03/2013 for maintaining Bank Account particulars including IFSC code for making payments to investors by using any RBI approved electronic modes viz., ECS, NEFT etc.

Mandate form for Electronic payment mode

(For shares held in De-mat mode)

To
The Depository

Dear Sir,

I hereby furnish necessary particulars for electronic receipt of amounts, if any, from the Company.

The particulars are:

1. Client ID & DPID :
2. Name of Registered Holder(s) :
3. Present Address :
4. Bank Account Details :
   a. Account Number (13 digit No./latest account no) :
   b. Bank A/c type : Savings/Current/NRE/NRO/Overdraft
      (Please tick the relevant account type and strike off others)
   c. Name of Bank :
   d. Branch Name :
   e. City with PIN :
   f. 9 digit MICR No. :
      (Please attach a blank "cancelled" Cheque or photocopy thereof)
   g. IFSC Code :
   h. Your e-Mail ID :
   i. Mobile No. :
   j. Residence Phone No.(With STD Code) :

I hereby declare that the particulars given above are correct and complete.
Yours faithfully,

(Signature of the 1st Registered holder(s) as per the specimen signature lodged with the Company)

Name:

Date: Address:

In case you are not in a position to give a blank "cancelled" cheque or a photocopy thereof, a certificate as under may be furnished.

Certificate of the shareholder(s) Bank

Certified that the particulars furnished above are correct as per our records.

Signature of the Authorized Official from the Bank with official stamp

Date:

Bangalore - Begur – 100th branch of the Company inaugurated on 05 July 2014.

Inauguration by Shri R.K. Dubey (lighting the lamp), the then Chairman & Managing Director, Canara Bank. Also seen in the photo are Shri V.S. Krishna Kumar the Executive Director of Canara Bank, Shri C. Ilango, Managing Director, Can Fin Homes Ltd and Shri Naveen Prabhu, Sr. Manager

Handing over of the dividend warrant in July 2014 by Shri C. Ilango, Managing Director, Can Fin Homes Ltd to Shri R. K. Dubey, Chairman and Managing Director, Canara Bank. Also seen in the photo are Shri N. Selvarajan, GM, Canara Bank and Shri N. Sivasankaran, DGM Canara Bank along with staff members of CFHL

Bangalore - Jayanagar renovated branch inauguration on 19 January 2015

Shri K. N. Prithviraj, Chairman, Can Fin Homes Ltd. was the Chief Guest. Seated from left to right are directors, Shri T. V. Rao, Shri P. B. Santhanakrishnan, Shri K. N. Prithviraj, Shri C. Ilango, Managing Director, Shri Ravindra Bhandary, GM, Canara Bank, Shri Ajay Shettar AGM and staff of Jayanagar branch

Bangalore - Cunningham Road renovated branch inauguration on 24 April 2015

Inauguration by Chief Guest, Sri P. S. Rawat, CEO, Canara Bank (lighting the lamp). Also present in the photo are Shri C. Ilango, MD; Shri Ravindra Bhandary, GM, Canara Bank and Shri Murugan R., AGM and Shri Sundar Raman, CM

Caution regarding forward-looking statements

This document contains some statements about expected future events and financial and operating results of Can Fin Homes Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Can Fin Homes Limited Annual Report 2014-15.

A TRISYS PRODUCT
info@trisyscom.com

HAVE A HOME A CAN FIN HOME

Can Fin Homes Ltd

(Sponsor : CANARA BANK)

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