



ANNUAL REPORT
2013 - 2014



Can Fin Homes Ltd
(Sponsor: **CANARA BANK**)



ಕ್ಯಾನ್ ಫಿನ್ ಹೋಮ್ಸ್ ಲಿ.

Board of Directors



Shri S.R. Iyer
Chairman



Shri C. Ilango
Managing Director



Shri K.R. Vijayendra
Director



Shri P.B. Santhanakrishnan
Director



Shri S.A. Kadur
Director



Shri K.S. Madhava Murthy
Director
(Upto 10/01/14)



Shri T.V. Rao
Director
(From 01/02/14)



Shri K.N. Prithviraj
Director
(From 04/06/14)

SENIOR MANAGEMENT PERSONNEL

- | | |
|--|---|
| 1. Smt Shamila M, DGM | 13. Shri V Durga Rao, CM, Regd. Office |
| 2. Shri K S Sathyaprakash, AGM & Company Secretary | 14. Shri R Murugan, CM, Tambaram |
| 3. Shri Rm. Veerappan, AGM, Annasalai, Chennai | 15. Shri M Sundar Raman, CM, Cunningham Road |
| 4. Shri P Vijayasekhara Raju, AGM, Kukatpally | 16. Shri Jagadeesha Acharya, CM, Uttarahalli |
| 5. Shri Sunil Mittal, AGM, Noida | 17. Shri H R Narendra, CM, Bhopal |
| 6. Shri Atanu Bagchi, AGM, Regd. Office | 18. Shri A Uthaya Kumar, CM, Coimbatore |
| 7. Shri Ajay Kumar G Shettar, AGM, Jayanagar | 19. Shri K Srinivas, CM, Faridabad |
| 8. Shri B M Sudhakar, AGM, New Delhi | 20. Shri Srinivasa Malladi, CM, Gachibowli |
| 9. Shri N Babu, AGM, Nampally, Hyderabad | 21. Shri Prashanth Joishy, CM, Mumbai |
| 10. Shri G K Nagaraja Rao, AGM, Koramangala | 22. Shri Sanjay Kumar J, CM, Gurgaon |
| 11. Shri Prashanth Shenoy, AGM, Regd. Office | 23. Shri P S Mallya, CM, Hosur |
| 12. Shri A Madhukar, CM, Vijayanagar | 24. Shri Prakash Shanbhogue B, CM, Sahakarnagar |

AUDITORS

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

PRINCIPAL BANKERS

Canara Bank

OTHER BANKERS

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

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-560 003
Tel : 080-23469661
E-mail : canbankrta@ccsl.co.in
CIN : U85110KA1994PLC016174

DEBENTURE TRUSTEES

SBICAP Trustee Company Limited
6th Floor, Apeejay House
3, Dinshaw Wadia Road
Churchgate, Mumbai - 400 020
Tel : 022-4302 5555
Fax : 022-4302 5500
Email : murali.v@sbicaptrustee.com
Website : www.sbicaptrustee.com
CIN : U65991MH2005PLC158386

Can Fin Homes Ltd.,
REGISTERED OFFICE

CIN – L85110KA1987PLC008699

No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bengaluru-560 004
Tel : 080-26568687, 26570155, 26564259, 26563646 Fax : 080-26565746
E-mail : development@canfinhomes.com
Website : www.canfinhomes.com

CONTENTS

	Page No.
Operational & Financial Highlights	3
Report of the Directors	4
Management Discussion and Analysis Report	15
Report of the Directors on Corporate Governance	25
General Information to Shareholders	36
Auditors Certificate on Corporate Governance	42
Auditor's Report	43
Balance Sheet, Profit & Loss Account and Statement of Accounts	48
Balance Sheet & Company's General Business Profile	70
E-mail Registration request form	71
Nomination facility - Form SH-13	72
List of Branches/Offices in India	73

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE
ANNUAL REPORT TO THE MEETING**

OPERATIONAL & FINANCIAL HIGHLIGHTS

₹ in crore

SLNo	Parameters	2009-10	2010-11	2011-12	2012-13	2013-14
1	Loan Approvals (₹ in cr)	652.86	545.53	1105.41	2092.65	2907.27
2	Loan disbursements(₹ in cr)	546.90	472.78	859.07	1813.77	2548.39
3	Total Loan outstanding(₹ in cr)	2106.65	2207.50	2674.39	4016.15	5844.00
4	Out of 3, Non Housing Loans (₹ in cr)	36.83	33.47	75.80	233.70	512.92
5	Deposits(₹ in cr)	202.31	149.76	143.89	171.45	168.75
6	Borrowings (excluding deposits)(₹ in cr)	1563.00	1754.03	2156.41	3367.44	5099.78
7	Gross Income(₹ in cr)	216.44	231.29	286.83	392.69	578.00
8	Net Interest Income (NII)(₹ in cr)	62.85	72.12	83.71	95.69	134.29
9	Profit before Tax & Provisions(₹ in cr)	54.00	59.97	68.36	73.71	111.32
10	Profit After Tax(₹ in cr)	39.19	42.02	43.76	54.12	75.71
11	Gross NPA(₹ in cr)	22.46	23.47	19.01	15.66	12.10
12	Gross NPA % (11/3)	1.07	1.06	0.71	0.39	0.21
13	Net NPA(₹ in cr)	Nil	Nil	Nil	Nil	Nil
14	Number of Branches	40	41	52	69	83
15	Number of Employees	204	223	251	319	387
16	Average Business Per Branch (₹ in cr)	53.79	56.71	47.94	49.38	61.65
17	Average Business Per Employee (BPE)(₹ in cr)	11.95	11.68	10.88	11.43	13.90
18	Average Yield on Assets %	9.89	10.12	11.70	11.58	11.22
19	Average Cost of Borrowings %	8.37	8.32	9.81	9.95	9.79
20	Interest Spread % (18 - 19)	1.52	1.80	1.89	1.63	1.43
21	Return on Average Asset (ROA) %	1.95	1.89	1.75	1.62	1.53
22	Cost to Income Ratio %	24.41	22.28	25.12	32.80	28.29
23	Shareholder's Funds(₹ in cr)	274.89	310.96	347.57	392.17	452.30
24	Dividend %	20	25	30	40	65 *
25	Book Value (BV) (FV of share ₹10)	134.19	152.34	169.63	191.40	220.80
26	Earnings per Share (EPS)	19.13	20.51	21.36	26.42	36.96
27	Closing Stock Price (NSE)	80.25	107.15	112.45	135.90	190.70
28	Return on Equity (ROE) %	14.26	13.51	12.59	13.80	16.74
29	Net Interest Margin (NIM) %	3.13	3.29	3.51	2.93	2.71
30	Capital Adequacy Ratio (CAR) (%)	17.11	19.14	17.44	15.40	13.84

*subject to declaration at the AGM on 30/07/14

Reports of Directors

TO THE MEMBERS

Your Directors are pleased to present the 27th Annual Report of the business and operations of the Company together with the audited accounts for the year ended March 31, 2014.

Financial Results

The financial performance for fiscal 2014 is summarised here below:

(₹ in lakh)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Profit before Tax & Provisions	11131.93	7370.80
Less: Provision for Standard Assets	800.00	685.00
Provision for Doubtful Debts Written back	(355.69)	(823.81)
Prior Period adjustments	22.42	---
PROFIT BEFORE TAX	10665.19	7509.61
Tax expenses:		
(a). Provision for Tax - Current Year	3093.00	2000.00
(b). Previous year	0.00	19.52
(c). Deferred Taxation	1.00	78.00
PROFIT AFTER TAX	7571.19	5412.09
Balance brought forward from previous year	608.37	548.55
	8179.56	5960.64
Appropriations:		
Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961	2500.00	1500.00
Transfer to General Reserve	2000.00	1800.00
Additional Reserve (u/s.29C of the NHB Act)	1600.00	1100.00
Proposed Dividend	1331.54	819.34
Tax on Distributed Profits	226.29	132.93
Balance carried forward to balance sheet	521.73	608.37
	8179.56	5960.64

Shareholders' Wealth

Particulars	March 31, 2014	March 31, 2013
Earning Per Share (EPS) (₹)	36.96	26.42
Dividend Rate	65%	40%
Market Price of shares as at 31 st March (₹) (NSE)	190.70	135.90
Market Capitalisation (₹ in Crore)	389.63	282.39

BUSINESS PERFORMANCE HIGHLIGHTS

Sanctions

During the year, the housing loans and other loans sanctioned amounted to ₹2907.27 Crore (Previous year ₹2092.65 Crore) registering a growth of 39% over the previous year, significantly above the industry average. The cumulative loan sanctions since inception of the Company, as at the end of the financial year 2013-14 was ₹12822.51 Crore.

Disbursements

Disbursement of housing loans and other loans during the year were to the extent of ₹2548.39 Crore (Previous year ₹1813.77 Crore) registering a growth of 40% over the previous year, much above the industry average of 24%. The cumulative loan disbursements since inception of the Company as at the end of the financial year 2013-14 stood at ₹11023.22 Crore.

Loans Outstanding

The cumulative loan(s) outstanding at the end of the year was ₹5844 Crore (Previous year ₹4016.15 Crore) registering a growth of 46%.

Non Performing Asset (NPA)

During the year, the gross NPA of your Company has got reduced to ₹12.10 Crore (Previous year ₹15.66 Crore) registering a gross NPA level of 0.21%, which is lowest in the Industry. Quantum-wise reduction in Gross Non-Performing Assets (GNPA) to the extent of 23% over the previous year has been registered. The net NPA as on 31/03/2014 continues to be Nil, with a NPA Provision coverage ratio at 100%. During the year, your Company could register a cash recovery of ₹0.62 Crore (Previous year ₹2.60 Crore) in 33 accounts in long-pending NPA accounts by way of One Time Settlement (OTS). Recovery in written off accounts has increased from ₹0.10 Crore last year to ₹0.37 Crore this year.

Profits

Your directors are very happy to inform that during the year under review your Company recorded a profit before tax (PBT) of ₹106.65 Crore (previous year ₹75.10 Crore) and profit after tax (PAT) of ₹75.71 Crore (previous year ₹54.12 Crore) after making provision for Standard assets amounting to ₹8.00 Crore (previous year ₹6.85 Crore). The Year-on-Year (YoY) growth rates of 51.02% under PBT and 39.89% under PAT over the previous year are significantly higher than industry averages.

Dividend

It was the considered view of the Board that while in the short term the shareholders need to be rewarded with good dividend, there was a need to simultaneously strengthen the net worth of the Company thereby increasing the intrinsic value of their shareholding in the long term. Also, the Company needs to be seen as consistent in its dividend declaration policy going forward.

The subject relating to recommending the Dividend for the year 2013-14 was discussed in detail by the Directors with specific reference to the profit earned by the Company during the year, the requirement of maintaining the Capital Adequacy Ratio (CAR) at 12%, additional requirement of funds for incremental business projected for the next year, amount available for appropriation for the year to increase CAR and appropriation of ₹8 Crore towards the Additional Reserve in terms of section 29C of the NHB Act.

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 and their continued support, the Board of Directors of your Company have recommended a dividend of ₹6.50 per equity share (65%) against ₹4 per equity share (40%) recommended during the previous year, for the year ended March 31, 2014. The tax on distributed profits u/s.115-O of the Income Tax Act, 1961, at 16.995% is being paid to the Government by the Company.

EXPANSION OF BRANCH NETWORK

During the year under review, 14 new branches (10 in South and 04 in other regions) were opened by your Company in different States across the Country, located in major cities, taking the total number of branches to 83 against 69 branches as at the end of previous year. Your Company envisages to open 100th branch by July 2014 and increase the number of branches to 109 by March 2015.

Your Company has a strong marketing and distribution network to enhance the level of business significantly and to meet the requirements of a larger section of customers especially for housing and non-housing loans across the Country. The above network coverage is expected to provide increased market penetration to cater to the evolving needs of our existing customers and tapping a growing potential customer base throughout India.

The Registered Office and all branches have been up-graded with state-of-the art ambience and facilities to the customers during their visit to the branches have been enhanced.

TECHNOLOGY INITIATIVES

Since April 2013 your Company has linked all the branches on a core banking platform (Integrated Business Suite) under Application Service Provider (ASP) Model, which has given a good boost for effective delivery of service to customers with a very good data management. Further, to improve operational efficiency your Company has taken other technology initiatives like introduction of Online Application Module in the Company's website to submit applications online, Customer Portal in the website to draw account statements/certificates at customers' end, Missed Call facility to the borrowers to inform outstanding balance in their loan accounts, SMS alerts to remind the borrowers of loan installments/new schemes, Electronic Clearing System (ECS) facility for collections of instalments etc. Further, your Company proposes to launch mobile website during this year.

CUSTOMER FRIENDLY INITIATIVES

During the year, your Company has conducted studies for evaluating the systems/procedures/processes/products of peer group players on many areas to understand their best practices and implemented/adopted suitable ones in your Company to ensure simpler and customer friendly processes. Earnest efforts are made to reduce the Turn Around Time (TAT) in sanctioning and disbursing the loans and improving the functional efficiency at all branch offices and the Registered Office.

Your Company continues to adopt transparent and strong ethical practices towards all segments of its customers. Your Company's website provides all the major information on the products and applicable charges. Your Company voluntarily introduced the risk based rating of borrowers for application of uniform rate of interest scheme suggested by the regulator viz., National Housing Bank. The encouragement to referral scheme has benefited many existing customers.

Keeping in view the needs of its customers during the year 2013-14 your Company introduced 3 new loan products viz., Loans under Urban Housing (LUH), Flexi LAP (Flexible Loan Against Property) and Gruhalakshmi Rural Housing Loan Scheme (GRHLS) which are well received by the borrowers.

FINANCIAL RESOURCES

Deposits

The outstanding balance of deposits (inclusive of interest accrued, but not due) as of March 31, 2014 were ₹168.75 Crore as against ₹171.45 Crore as at the end of the previous year. Your Company has initiated many steps to increase the deposit base in the coming years.

As on March 31, 2014 a sum of ₹ 11.13 Crore relating to 1316 accounts (₹ 11.12 Crore as on March 31, 2013 relating to 1800 accounts) was unclaimed. Out of the above amount, a sum of ₹3 Crore relating to 170 accounts (Previous year ₹2.46 Crore relating to 403 accounts) was claimed and renewed/settled as of May 23, 2014. The depositors were intimated individually regarding the maturity of deposits with a request to either renew or claim their deposits and subsequent reminders have been sent.

The deposit schemes of the Company continued to be rated as “MAA+” (pronounced M double A plus) by the credit rating agency viz., ICRA Ltd., indicating high-credit-quality and the rated deposit programme carries low credit risk. The high credit quality rating takes into account the strong ownership, low operating cost structure, superior capital adequacy, its favourable liquidity position and comfortable asset quality indicators. The outlook on the rating has also been re-affirmed as “Stable”.

Section 58A and related rules of the Companies Act, 1956 are replaced by section 73 to 76 of the Companies Act, 2013 and related rules w.e.f. 01/04/2014. Your Company being a housing finance company registered with National Housing Bank has been following the Directions/guidelines issued by the National Housing Bank from time to time with regard to acceptance and renewal of deposits continues to follow the Directions/Guidelines issued by NHB from time to time.

Refinance from National Housing Bank (NHB)

NHB continued its support through refinance and your Company has availed refinance amounting to ₹1133.80 Crore (previous year ₹1326.90 Crore) under the NHB refinance scheme to Housing Finance Companies, keeping in view the funds requirement due to substantial increase in business during the year. The cumulative borrowings from NHB as on March 31, 2014 were ₹ 2323.99 Crore (previous year ₹ 1795.74 Crore).

Borrowings from Banks

Your Company has borrowed ₹1,227 Crore from banks compared to ₹639 Crore during the previous year. During the year, your Company has diversified its borrowings to derive the maximum benefit of competitive interest rates and a combination of Short term and Long term loans considering the Asset Liability management. The lenders include Bank of Baroda, HDFC Bank, Kotak Mahindra Bank apart from Canara Bank, the Principal Banker of the Company. The aggregate of term loans including the overdraft at the end of the financial year stood at ₹2,525.79 Crore as against ₹1571.70 Crore during the previous year. There were no short term loans outstanding as on March 31, 2014 as in the previous year.

During the year your Company was once again rated ICRA AA+ (pronounced ICRA double A plus) by ICRA Ltd., for the borrowings made by the Company by way of term loans from various banks with a stable outlook to the Line of Credit of Can Fin Homes Ltd.

Non-Convertible Debentures

As alternate source of funding, for the first time, your Company has mobilised ₹250 Crore during January 2014 by issuing Secured Redeemable Non-Cumulative Non-Convertible Taxable Debentures (SRNCD) with a coupon rate at 10.05%. Major insurance companies and public sector banks have invested in the above issues.

The Debentures issued by the Company are rated by Credit Analysis & Research Ltd. (CARE), and India Research and Ratings Pvt. Ltd. (Fitch) and the ratings awarded are CARE AA+ indicating “Instruments with this rating are considered to have high degree of safety” and IND AA+ indicating “the outlook is stable”.

The above debentures are listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India.

Can Fin Homes Ltd

Your Company plans to raise Non-Convertible Debentures to a maximum limit of ₹2500 Crore during the next one year, subject to cost effectiveness and Asset Liability Management requirements

Mortgage Backed Securities

Your Company did not opt for any securitization during the year or during the previous year considering its cost and funds available through alternative sources. As such there were no securitised assets outstanding as on March 31, 2014.

Commercial Papers

Your Company envisages to raise funds upto ₹500 Crore during the ensuing year. The CP is rated with the maximum rating [ICRA]A1+ by ICRA Ltd., indicating "Instruments with this rating are considered to have high degree of safety."

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

Your Company adhered to the prudential guidelines for Non-performing Assets (NPAs) issued by the National Housing Bank (NHB) under its Directions 2010, as amended from time to time. Your Company has complied with the Guidelines and Directions issued by NHB on charging uniform rate of interest, asset classification of Credit/ Investments, Credit Rating, Deposits, Fair Practices Code, Most Important Terms and Conditions (MITC) in vernacular language, extension of tenure of loans across all classes with same Equated Monthly Instalments (EMIs), Customer Complaints Redressal Mechanism, Know Your Customer (KYC), Anti Money Laundering (AML) Guidelines and other related aspects. All the norms advised by NHB are implemented in both letter and spirit, with due publicity in our website.

In compliance of the Directions issued by the NHB vide letter no.NHB (ND)/ DRS/ Pol.No.45/ 2011-12 dated January 19, 2012, a provision for Standard Assets in respect of Commercial Real Estates is required to be made at 1% and for other Standard Assets the said provision is required to be made at 0.40%. A provision of ₹8 Crore has been made in the books as on March 31, 2014 and the cumulative provision in that regard stood at ₹26 Crore as of the above date. The recognition of income and provision for non-performing asset has been made in the books as per the Guidelines on Prudential Norms applicable as of March 31, 2014.

Your Company has 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 under the Companies Act, 2013

The Companies Act, 2013 with Rules, notified with effect from April 01, 2014 with substantial changes in requirement of law and compliance has replaced the Companies Act, 1956. Your Company has taken steps to comply with the requirements of the above Act, as are applicable.

Capital Adequacy

The Capital Adequacy Ratio (CAR) of your Company as at March 31, 2014 was 13.84% (previous year 15.40%) which is very well above the minimum required level of 12% as prescribed by the National Housing Bank (NHB). The reduction in the CAR is due to significant increase in loan book size despite reduction in risk weightage factors by NHB during September, 2013. Your directors have reviewed the position in detail and are continuously monitoring the position. Your Company has initiated certain important steps to maintain/further improve the CAR at the required level during the coming years, keeping in view the projected business growth for 2014-15 and subsequent years.

Audit and Internal Control

Your Company has further strengthened the adequacy of the existing internal control systems, systems for loan reviews at reduced intervals and measures for minimising operational risks which is commensurate with the nature of its business and the size of its operations. Further, your Company has established clear delegation of authorities and standard operating procedures for all areas of the business/functions. During the year, your Company has introduced a new system of daily/weekly Offsite Transaction Monitoring System (OTMS) to track transactions across all branches and has set-up an internal Vigilance Department to track sensitive transactions on a near to real time basis to locate Early Warning Signals. It can be mentioned that your Company is one of the earliest companies to introduce Risk Based Internal Audit system in the industry and the same is fine tuned.

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

Your Company initiated action on the defaulting borrowers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ("SARFAESI") Act, 2002 and recovered ₹2.79 Crore (previous year ₹1.89 Crore) relating to 21 Non-Performing Asset accounts (Previous year 14 accounts).

PARTICULARS OF EMPLOYEES

There are no such 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 the year 2013-14, the Company has not employed anyone with a remuneration of ₹60 lakh or more per annum.

LISTING OF SECURITIES

The equity shares of the Company continued to be listed on the Bangalore Stock Exchange Ltd., (BgSE), Bengaluru, Bombay Stock Exchange Ltd., (BSE), Mumbai and the National Stock Exchange of India Ltd., (NSE), Mumbai. The Listing Fee payable to the above Stock Exchanges has been paid before the due dates.

The investors response to the Company's performance shows the exuberance as indicated in the movement of Share Value of your Company

MAN POWER - HUMAN RESOURCES DEVELOPMENT

The total number of employees of your Company was 387 as on March 31, 2014 as against 319 as at the end of the previous year. By and large your Company recruited local staff from the respective branch locations. As a HRD measure the retirement age of all the employees was increased from 58 years to 60 years.

As in the previous years, some of the employees of the Company were deputed for selected training programmes/seminars on different subjects organised by the National Housing Bank and other reputed institutions as a HR measure and to equip the employees with latest changes/ developments in the areas like housing finance and related subjects, which were found to be useful. During the year internal training on Credit, Information Technology, Human Relations, Finance, Taxation, Marketing and other related topics of importance were imparted to all the employees and executives of the Company.

Your Company has put in place a series of HR measures including recognition and reward for good work, promising career plans etc. As a motivational measure and in recognition of their performance for "Augmenting Operating Profit for 2013-14", eligible branches/branch employees were rewarded under cash incentive scheme uniquely designed for the year.

Industrial relations continued to be cordial during the year.

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

As an investor friendly measure, your Company has been intimating the respective shareholders/ depositors/ investors to encash their dividend warrant/lodge their claim for payment due, if any, from time to time and claims made are settled. Certain amount still remains unclaimed despite constant and sincere efforts by the Company to pay such unclaimed amounts to the investors. As per the statutory requirement such details for the previous 7 years as of the date of the Annual General Meeting are made available on the website of SEBI and as well as 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.

In terms of section 205C of the Companies Act, 1956 (corresponding section 125 of the Companies Act, 2013 yet to be notified) the amounts (dividend, deposits etc.) that remained unclaimed and unpaid for more than 7 years from the date they first became due for payment, should be transferred to IEPF, which your Company is complying with from time to time.

(a) Unclaimed dividends

As at March 31, 2014 dividend aggregating to ₹66.23 Lakh (previous year ₹57.99 Lakh), relating to dividend declared for the years 2006-07 to 2012-13, of which ₹17.48 Lakh related to dividend for the year 2013, had not been claimed by the shareholders of the Company. Your Company has been intimating the shareholders to lodge their claim from time to time and the related details are being provided in annual reports every year as well as on the web-site of the Company.

The dividend pertaining to the financial year 2005-06 which remained unclaimed/unpaid amounting to ₹6.66 Lakh (in respect of 1,582 shareholders) was transferred to IEPF during August 2013, after settlement of claims by the members received in response to the individual reminder letters sent by the Company to the respective members.

The dividend pertaining to the financial year 2006-07 remaining unclaimed and unpaid amounting to ₹7.07 Lakh (in respect of 1,761 shareholders) as at the end of the financial year 2013-14 would be transferred to IEPF during August 2014 after settlement of the claims received upto the date of completion of 7 years. As an investor friendly measure, your Company has sent individual reminder letters to the respective shareholders to claim the amount.

(b) Unclaimed Deposits

As required under Section 205C of the Companies Act, 1956, the unclaimed and unpaid deposits with interest for the year 2006-07 amounting to ₹14.46 Lakh (previous year ₹6.13 Lakh) that remained unclaimed and unpaid for a period of 7 years were transferred to IEPF.

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 the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 required to be furnished u/s.134 (1) of the Companies Act, 2013 (u/s.217(1)(e) of the Companies Act, 1956) are not applicable.

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

Directors

Your directors wish to report that Shri K.S.Madhava Murthy, resigned as a director with effect from January 10, 2014.

Your directors wish to place on record their appreciation for the services rendered and contribution made by Shri K.S.Madhava Murthy during his tenure as director, Chairman of the Audit Committee and as a member of the Shareholders'/Investors' Grievance committees of the Board.

The Board of Directors appointed Shri T.V.Rao, Director, EXIM Bank, as an Additional Director (Independent Director) with effect from February 01, 2014 in terms of Section 260 (corresponding to Section 161 and all other applicable provisions, if any, of the Companies Act, 2013) and all other applicable provisions, if any of the Companies Act, 1956 and Article 22 of the Articles of Association of the Company.

The Board of Directors appointed Shri K.N.Prithviraj, as an Additional Director of the Company with effect from June 04, 2014 in terms of the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to Article 22 of the Articles of Association of the Company.

Shri T.V.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 T.V.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 is presently heading the Capacity Building, Business Promotion and Development of Trade Promotion initiative of EXIM Bank.

Shri K N 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 more than 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.

Further particulars relating to Shri T.V.Rao and Shri K.N.Prithviraj, Additional Directors are provided in the explanatory statement on the respective agenda, forming part of the notice of the ensuing Annual General Meeting.

In terms of the applicable provisions of Section 260 and all other applicable provisions, if any, of the Companies Act, 1956 and 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, Shri T.V.Rao and Shri K.N.Prithviraj, directors, respectively, 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 Shri T.V.Rao and Shri K.N.Prithviraj as independent directors to hold office for a consecutive period of 3 years from the date of this Annual General Meeting until the conclusion of the Annual General Meeting of the year 2017.

Your directors are of the opinion that Shri T.V.Rao and Shri K.N.Prithviraj, directors fulfill the conditions specified in the Companies Act, 2013 for such appointment and their appointment as a director would be in the best interest of the Company.

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 have confirmed that they are 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 [corresponding to Section 274(1)(g) of the Companies Act, 1956].

Meetings of the Board

During the year, 8 meetings of the Board of Directors were held and the related particulars are made available in the Report of Directors on Corporate Governance placed before the members.

Directors' Responsibility Statement

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 (Section 217(2AA) of the Companies Act, 1956) 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 had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The independent directors (defined as such under the listing agreements) 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. There are no particulars of loans, guarantees or investments made during the year requiring disclosure to be made in the report of directors in terms of Section 186(1) of "the Act" and 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.28(c) forming part of notes on accounts for the year 2013-14 and forming part of the annual report.

Your directors are pleased to inform that there were no qualification, reservation or adverse remark in the report by the auditors of the Company, as in the previous years.

Your Company has put in place a well-drawn risk management policy in order to assess and mitigate the credit, liquidity and interest rate risk and the policy is reviewed by the Board every year for modifications, revisions, if any. The Company has developed and implemented the policy on corporate social responsibility.

Your directors wish to inform that there are no changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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 26th Annual General Meeting of the Company held on August 07, 2013 and other 26 firm of branch auditors appointed by the Board based on the approval of the members at the above Annual General Meeting, would retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a certificate from the statutory auditors u/s.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.

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.

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.

SAVE GREEN EFFORTS

In recognition and support to the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India, your Company has been sending 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, stream-lining the systems and procedures for reporting by the branches and at the Registered Office through Integrated Business Suite (IBS), net working of branches with the Registered Office, harnessing solar energy for lighting and computer operations in 4 new branches (in all 8 branches) and the like. The usage of the paper is brought to minimum at all levels by technology initiatives and with specific directions at corporate level.

Corporate Social Responsibility

In terms of the applicability of the provisions of the Companies Act, 2013 effective from April 01, 2014, the Board of Directors have the Corporate Social Responsibility Committee w.e.f. June 04, 2014 authorising the Committee with clear role and responsibilities in terms of the provisions of Companies Act, 2013.

The Company has been extending support for social causes during the previous years like extending financial support to brilliant poor students, donations to government middle/ higher primary schools, Vedik Sanskar Shiksha Kendra, etc.

OUTLOOK FOR 2014-15

Urbanisation and growing household income are a few factors influencing the demand for residential accommodation and growth in the retail sector. The demand for rural housing is also on the increase. As such, a sharp increase in demand for residential units and also commercial real estate are foreseen.

The Indian economy is one of the fastest growing economies in the world and the GDP growth is expected to improve further in 2014-15. The real estate sector witnessed a good growth in the last few years. The demand for commercial property is being driven by the economic growth of the Country.

With a view to sustain and enhance its performance level, your Company is offering a range of housing as well as non-housing products, with more emphasis on marketing and customer oriented business relationship. Your Company would continue to give a more focussed attention for lending to individual loan segment, project loans and non-housing loans with an emphasis to further enhance its market share in the housing market segment.

Your Company expects to maintain a sustained growth in its performance levels during 2014-15 and has put in place a well-drawn vision document. However, given the indications about the likely changes in cost of funds and expectations of borrowers for availing loans at lesser rates, the margins are expected to continue to be under pressure.

ACKNOWLEDGEMENTS

Your directors would like to place on record the role of Canara Bank for their consistent support and guidance.

Your directors would like to acknowledge the role of all its stakeholders viz., the shareholders, debenture holders, depositors, bankers, lenders, borrowers, merchant bankers, Debenture Trustees and 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, Registrar of Companies, Karnataka, the Stock Exchanges and the Depositories.

Your directors thank the Rating Agencies (ICRA, CARE, FITCH), Merchant Bankers (SBI Capital Markets Limited, HDFC Bank Ltd.), Government(s), local/statutory authorities, the Registrars and Share Transfer Agents of the Company and all others for their wholehearted support during the year and look forward to their continued support in the years ahead.

Your directors value the professionalism of all the employees of the Company who have worked in a challenging environment and whose efforts have stood the Company in good stead and taken the Company to greater heights.

For and on behalf of the Board of Directors

Place : Bengaluru
Date : June 04, 2014

Sd/-
S.R.IYER
CHAIRMAN

Management Discussion and Analysis Report.

Overview of the Indian Economy

During the fiscal 2013-14 the Indian economy witnessed a subdued growth with the GDP growing at 4.9%. Throughout the year it continued to be under great pressure due to the continuing inflationary pressure, weakening of the rupee, high borrowing cost and slow down in the income growth and investment. Even though development in all sectors is essential for economic development, infrastructure development is considered to be the most important indicator that measures the economic development of any Nation. Inadequate infrastructure is quoted as one of the major obstacles which is hampering the economic growth of our Nation. In fact our Country ranks 85th among the 148 nations in the World Economic Forum's global competitiveness rankings for infrastructure, which means that improvement is required in the infrastructure front. With the new government's top priority expected to be in this direction, in granting project clearances and expediting its implementation, a definite rise in aggregate demand and easing of some of the supply bottlenecks, that have held back the potential for the Country's economic growth, is anticipated. Economists have indicated that in the next fiscal, the GDP is expected to grow at the rate of 5.5% and thus staging a comeback in the economic front.

Housing Industry Outlook – National

During the current year, the RBI and Government. have a stated Policy of managing inflation, promoting investment through generation of employment and income. The Country's economy was moving forward at a snail's pace during the financial year 2013-14 facing a sluggish macroeconomic situation. The income growth slowed down, the rupee weakened continuously, inflation touched double digits and borrowing cost increased during the financial year. Due to these reasons it was evident that the consumer confidence was affected to a large extent and there was reluctance to invest.

Though the overall prices of residential properties in the Country continued to display an upward movement, there was sluggish/downward trend in some parts of the country. In this scenario, the Country's real estate sector undoubtedly needed a fresh blend of progressive reforms to boost up confidence amongst home buyers as well as investors. Major reforms in the form of Real Estate Regulatory Bill and the land Acquisition, Resettlement and Rehabilitation Bills were initiated in the Parliament in the middle of the financial year gone by.

As on date, shortage of houses in India stands at 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 housing loan/mortgage market in India constitutes 9% of the GDP. This is one of the lowest when compared to some other emerging Asian economies like Malaysia, Thailand and China. In developed economies like Switzerland, Netherlands and Denmark, this percentage is still higher. Deeper penetration of banks and financial institutions into more urban and rural areas by way of opening branches and introduction of innovative affordable housing loan products would help to develop the loan/mortgage market in the Country further.

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

It is needless to say that the housing finance sector definitely shows signs of having a brilliant future in the years to come due to reasons like increase in double income earning families, 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, shortage in supply of houses to meet the ever growing demand, easy availability of finance/loans for acquiring houses, increase in rental income for residential units etc.,.

Can Fin Homes Ltd

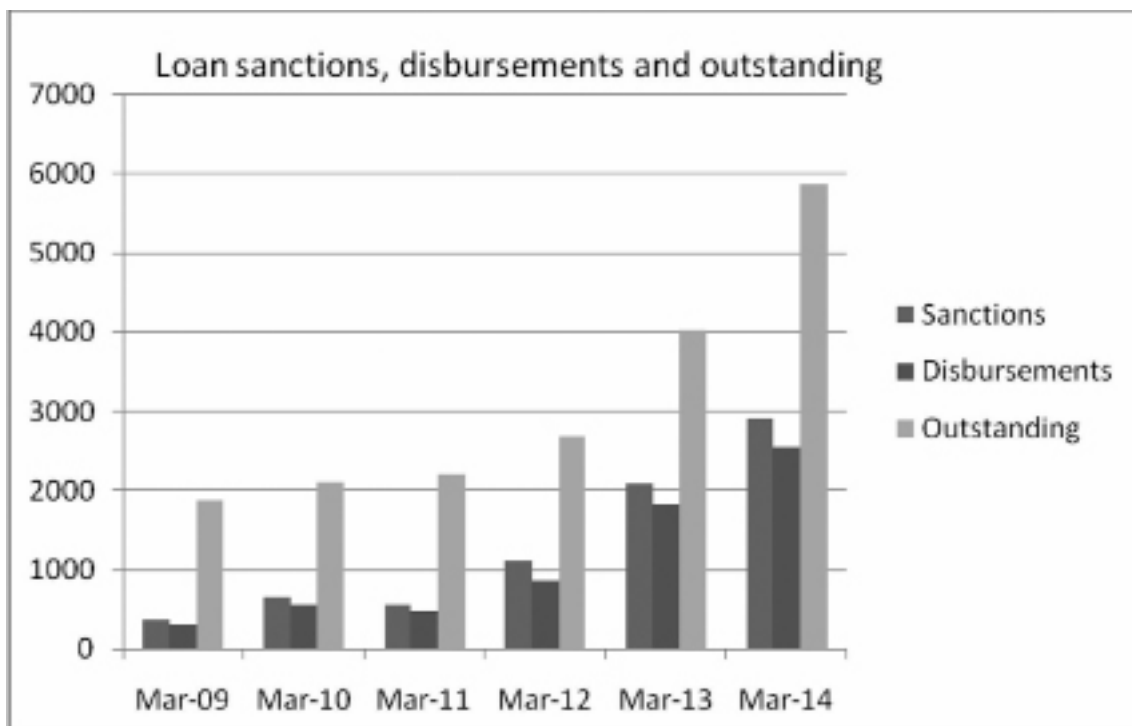
The major concern, however, is the broadening gap between demand and supply of affordable housing units and lack of adequate/appropriate financial solutions to help minimize this gap. Even though the government has come out with attractive loan/housing schemes for accommodating the poor/economically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

Lending Operations.

Despite a high interest rate regime, the demand for housing loans remained robust across the Country during the year under review. Owing to inflationary pressures and tight liquidity conditions, there was an increase in the base rate of banks/financial institutions by about 0.25%. Accordingly the rate of interest on home loans extended by CFHL was also increased by about 0.20% across all individual home loans.

Despite the slow economic growth, continuing inflationary pressures and stiff competition, the business performance of CFHL was remarkable during the year under review. During the year, the housing loans and other loans sanctioned were to the extent of ₹ 2907.27 Crore (Previous year ₹ 2092.65 Crore) registering a growth of 39% over the previous year. The cumulative loan sanctions since inception of our Company till the end of the financial year 2013-14 was ₹12822.51 Crore. During the year, the loans disbursed were to the extent of ₹ 2548.39 Crore (Previous year ₹1813.77 Crore) registering an increase of 40% over the previous year. The cumulative loan disbursements since inception till the end of the financial year 2013-14 stood at ₹ 11023.22 Crore. The loan book size has grown by 46% YOY with an outstanding figure of ₹ 5844 Crore as at the end of the year (Previous year figure was ₹ 4016.15 Crore)

The 42 new branches (opened after 01/04/11), have contributed about 45.52% of the incremental loan outstanding.



Loan Portfolio

The process of loan approvals in the Company is fairly decentralized with power to sanction the loans delegated at various levels in the management hierarchy. The power to sanction loans is well defined in the credit policy for various designations and for various products. Approval of proposals which fall beyond certain limits or due to reasons which requires the attention and decision making at a higher level, are referred to and sanctioned by the Management Committee or The Board of Directors.

During the year under review the loan book of CFHL increased to ₹ 5,844 Crore from ₹ 4,016.15 Crore in the previous year registering an increase of 46%. Out of this, the growth in the individual housing loan segment was 41% and in the non housing loan segment was 119% with an increase from ₹ 233.70 Crore as on 31st March, 2013 to ₹ 512.92 Crore as on 31st March, 2014. The average age of the individual housing loan customer is 36 years. Southern region (Karnataka, Tamil Nadu, Andhra Pradesh and Kerala) comprises 73% of the loan book size. Of the total loan book, the share of individual housing loans is 92% and that of non housing loans is 8%.

Average loan ticket size is ₹ 18.50 Lakh (Previous year: ₹ 16.93 Lakh) and 88% of the housing loan portfolio is towards salaried class. Almost all loans (Housing and Non-Housing) are retail. In all there are only 23 big ticket loans (liability > ₹ 1 Crore) amounting to ₹ 38.45 Crore (0.60% of total loans outstanding), with the highest of outstanding of ₹ 4.99 Crore in one builder loan account. Builder Loans and Mortgage Loans (Loans Against Property) constitute 0.30% and 4.19% of total outstanding respectively.

CFHL offers a variety of loan products by way of housing and non housing loans, viz., loans for home purchase, home construction, home extension/repairs/renovation/up gradation, site purchase, composite loans, balance transfer, for rural housing, builder loans, LOC etc, and non housing loans like Mortgage Loans (ML), Personal Loans, Loan on Commercial Property (LCP), Loan on Rent Receivables, Children Education Loan etc. Best efforts are put in by CFHL for aggressive marketing, by increasing delivery channels and by enhancing visibility through advertisements etc, for increasing the loan portfolio without sacrificing the quality of assets.

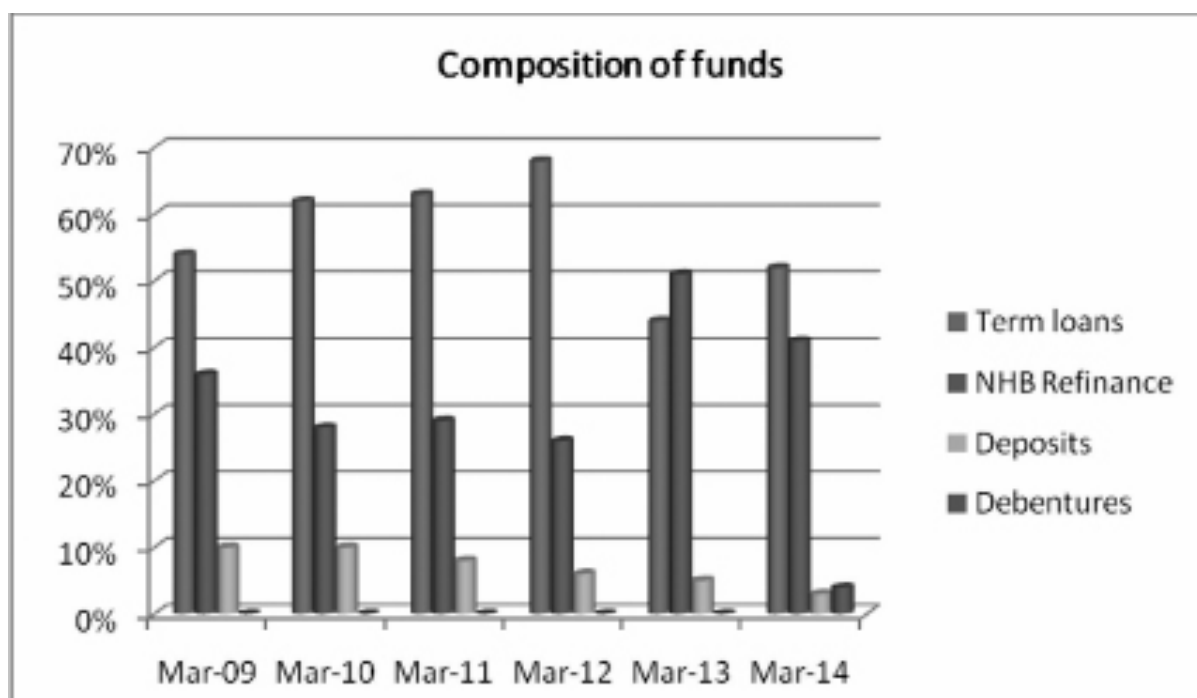
Marketing and Distribution

CFHL continues to have a strong marketing and distribution network with a pan India presence. The total number of branches at the end of the financial year under review was 83 and has plans to increase the number of branches to 109 by 31st March 2015. During the financial year 14 new branches were opened in various locations of the Country. The above network coverage will not only provide improved and better access to the market but also enable the Company to cater to the growing needs of Indian population to own homes of their own. As a step towards garnering more business, to facilitate deeper penetration into the market, the services of Direct Selling Agents (DSA) are also utilized for marketing our loans and sourcing retail proposals. 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. Business sourced through these DSA's constitutes 57% of sanctions for the financial year 2013-14. The Company has also conducted DSA workshops in potential centers, to educate them regarding the code of conduct and the ethical principles followed by the Company which they have to follow as effective business ambassadors of the Company.

Funding Sources

The Company has been sourcing funds for its operation through borrowing from Banks by way of term loans, refinance from NHB, secured non-convertible debentures and mobilization of deposits from the retail market.

The borrowings as at 31st March 2014 amounted to ₹ 5,269 Crore as against ₹ 3,539 Crore in the previous year (31st March, 2013) -an increase of 49%. Of the total borrowings, the share of NHB was 44%, Term loans from banks – 48%, Deposits - 3% and Secured Non Convertible debentures – 5%.



Secured Non Convertible Debentures

During the financial year, CFHL has successfully issued Secured Redeemable Non Convertible Debentures (SRNCD's) amounting to ₹ 250 Crore at an annual coupon rate of 10.05%, which works out to 9.65% on monthly basis. The rating awarded for this issue by rating agencies like CARE & India Ratings (FITCH) is AA+. This is a major step in resource mobilization and the participation of some of the leading Financial Institutions in the issue like State Bank of Mysore, State Bank of Hyderabad, SBI General Insurance, LIC, HDFC Bank, New India Assurance, United India Insurance, Birla Sunlife Insurance and Bajaj Alliance General Insurance to name a few, has given a fillip to the Company's image and helped to reduce cost of funds.

Deposits

The deposits outstanding (inclusive of interest accrued, but not due) as of 31st March, 2014 were ₹ 168.75 Crore as against ₹171.45 Crore as at the end of the previous year.

The deposit schemes of the Company continue to enjoy MAA+ rating awarded by the credit rating agency viz., ICRA Ltd., indicating high-credit-quality and the rated deposit programme carries low credit risk. The high-credit-quality rating takes into account the strong ownership, low operating cost structure, superior capital adequacy, its favorable liquidity position and comfortable asset quality indicators. The outlook on the rating has also been re-affirmed as "Stable".

Refinance from NHB

The Company has availed refinance from NHB to the extent of ₹1133.80 Crore during the year and the outstanding refinance from NHB stood at ₹ 2323.99 Crore as on 31st March, 2014. During the year, the Company has also repaid a sum of ₹ 605.55 Crore being the refinance earlier availed from NHB.

Risk Management

Inflationary trends, high cost of borrowings, thin margins, and uneven competition continue to pose a huge challenge for the Company, towards retaining and increasing the profitability. In order to meet these challenges, the management has initiated several measures to emerge economically stronger.

The volatile economic environment, more precisely the fluctuations in interest rates, makes housing finance institutions more vulnerable to certain 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 Board level. The Company has put in place a well-drawn out risk management policy in order to effectively counter these risks at the appropriate time and in order to ensure the smooth functioning of the organization. The above policy is reviewed by the Board every year for making amendments and modification, if required.

- a. **Credit Risk:** Credit risk is the risk of monetary loss arising out of the incapacity or disinclination of a customer to meet his loan obligations. CFHL has put in place effective credit norms and appraisal systems, which are monitored at regular intervals at the branch level as well as at the registered office level. Credit risk is managed using a set of laid down credit norms, procedures, policies and guidelines. Roles and responsibilities of the maker and checker are well defined. An efficient team of well qualified and experienced professionals oversee the system. CFHL also utilizes 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.
- b. **Liquidity Risk:** Liquidity risk is the inability of the Company to meet its financial obligations at the appropriate time at logical prices. This risk arises out of a mismatch in the maturity profile of assets and liabilities. Managing liquidity risk is indispensable for the Company to maintain the stake holders' 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 are managed through constant monitoring of the maturity profiles of various assets and liabilities and also through a system of periodical review. With a view to minimizing this risk, CFHL has followed the technique of spreading the borrowings amongst different lenders like banks, NHB etc., so as to reduce the concentration risk. It also monitors the structural liquidity mismatches between the assets and liabilities on a projected cash flow basis and periodically reviews the term loans sanctioned by the banks. As a matter of policy, the Company maintains adequate liquidity and hence is in a convenient position to meet the obligations at the appropriate time.
- c. **Interest Rate Risk:** Interest rate risk crops up when there is a disparity in the interest rate profile of assets and liabilities and which affects the interest income adversely. Housing finance institutions borrow funds particularly for a longer period and the rate of interest on these borrowings is linked to the bench mark rates, such as Base Rates of the lending institutions. These rates tend to vary during the loan period. In view of this, the present practice of lending on variable interest rate basis exposes the housing finance companies to interest rate risk and needs to be managed in the best possible way.

CFHL extends home loans on variable rate of interest. The risk likely to occur due to these movements is reviewed by the risk 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.

- d. **Operational Risk:** Operational risk is the risk associated with the Company's business operations. It encompasses a wide variety of risks – including risk of perpetration of fraud, legal, financial or environmental issues. To mitigate these risks, the Company has developed standard operating procedures and internal controls for employees to be followed, which can be compared with the best practices in the industry. The Company is in an expansion mode and a number of branches are being opened which are 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 these employees. The systems/ procedures are constantly reviewed to improve the operational efficiency and to ensure prevention of frauds. The performance of the branches are continuously monitored through executive visits at frequent intervals. The Company has documented every part of its functioning in the form of manual of instructions to be followed by the branches / employees in their day to day operations.

Asset Liability Management

The ALM risk is effectively resolved by preparing cash flow statements and forecasting of the cash flow position across various time periods and taking timely curative measures. CFHL continues to enjoy sufficient lines of credit (with good level of undrawn limits) from various other banks and financial institutions on a continuous basis to ensure that there is no interruption of business on account of liquidity problems. The ALM Committee at the registered office reviews the liquidity position at regular intervals and counteractive measures are suggested and implemented depending upon the requirement to alleviate/circumvent the risk, if any.

The Audit Committee and the Board of directors review the status of risk management in the Company at the respective meetings on a quarterly basis and issue directions/suggestions as deemed necessary.

Internal Audit and Control

A professionally qualified team of Auditors conduct the internal Audit of the branches and the Registered Office of the Company at quarterly/half yearly intervals.

While the regulator viz., National Housing Bank (NHB) conducts its regulatory/ management Audit at annual intervals, Sponsor Bank (Canara Bank) conducts inspection and management audit once in 2 years. As a Regulator NHB carries out Inspection of the Company at regular intervals. During the year also NHB has conducted inspection of our Company as well as select branches covering the Company's lending, resource mobilization, fixed deposit mobilization and accounting norms/activities. The NHB inspection report did not contain any major deficiencies in the functioning of the Company. The report was also reviewed by the Audit Committee of the Board and the management's compliance submitted on time. Company has already in place a defined policy for risk based internal audit (RBIA) wherein 59 Branches have been audited in the year 2013-14. During the year Sponsor Bank's subsidiary Canbank Computer Services Ltd., (CCSL) has conducted application audit of the Integrated Business Suite (IBS) package provided by M/s Encore Theme Technologies (w.e.f 31/03/13 in all branches). No critical comments were observed during these audits.

The Company has put in place adequate internal control systems, commensurate with the nature of its business and the size of its operations. Further CFHL has established extensive internal controls to mitigate risk, a set of procedures including clear delegation of authorities and standard operating procedures for all parts of the business/functions.

Loans sanctioned at the Branch level are reviewed by the Overseeing Executive / Manager. Loans sanctioned at the Registered Office are reviewed by the next higher authority or by two AGMs if sanctioned by an AGM. Loans sanctioned by DGM are reviewed by MD and the loans sanctioned by MD are placed before the Board for review.

The Overseeing Executive/Manager will also visit the Branch on quarterly intervals and act as a mentor/guide etc wherever required.

During the year, the Company has started an Offsite Transaction Monitoring System (OTMS) w.e.f. 16/12/13 to have better internal control / track sensitive transactions on a near to real time basis and locate early warning signals. It can be mentioned that CFHL is one of the earliest companies to introduce Risk Based Internal Audit system in the industry.

The Audit Committee of Board reviews the Audit reports 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.

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 together with the reply, including the action taken on such observations on a quarterly basis. All the policies of the Company viz., credit policy, recovery policy, accounting policy, corporate governance policy, investment policy, premises and outsourcing policy and such other policies were revisited and reviewed during the year 2013-14, modified depending upon the requirements. The internal control systems in the Company are adequate and commensurate with the nature of its business and size of its operations.

Quality of Assets

The Gross NPA as at 31st March, 2014 stood at ₹ 12.10 Crore (0.21%) as against ₹ 15.66 Crore (0.39%) during the previous year. The reduction was due to rigorous follow up by way of Individual Account Monitoring Statement (IAMS), through which each and every NPA account was tracked closely for closure or for regularisation. The follow up of the Special Mention Accounts or the Special Watch Accounts (SWL), by the Branch staff, adequately assisted by technology, to arrest further slippages into NPA, was a step in the right direction.

Perfection of security is another aspect which has been given utmost importance enabling CFHL to have a robust asset quality. With Branch expansion in the Northern and Western regions, the geographical distribution of assets is now getting panned out across the country. Core NPAs (NPAs for more than 5 years) have been brought down by intensive recovery drives and one time settlements. There was one fraud account, perpetrated during the year, amounting to ₹ 0.19 cr which has been reported to NHB. CFHL's relentless focus on asset quality resulted improvement in GNPA from 1.1% as on 31st March, 2011 to 0.39% as on 31st March, 2013 to 0.21% as on 31st March, 2014.

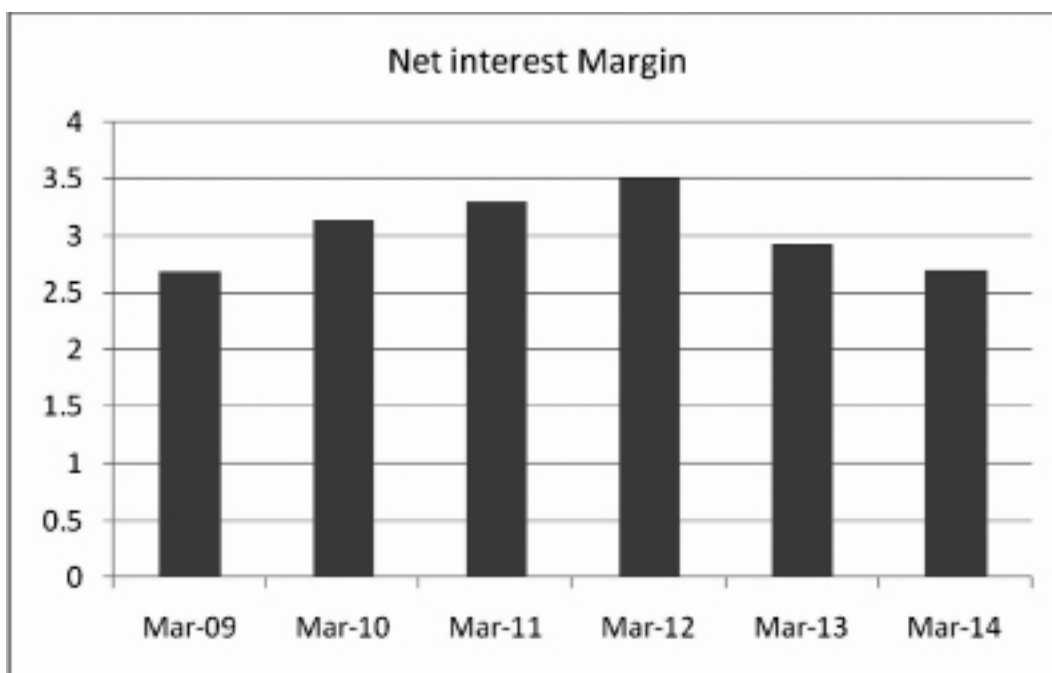
Statement of Profit & Loss Account

The key parameters of the statement of Profit and Loss Accounts for the year ended 31st March, 2014 are :

- Profit before Tax grew by 41% and Profit after Tax grew by 39%.
- Net interest income grew by 40% from ₹ 95.69 cr to ₹ 134.29 cr during the year.
- Net interest margin for the year was 2.71% (Previous year : 2.93%)
- Pre tax return on average assets was 2.15% and post tax return on average assets was 1.52%.
- Return on Equity is 16.74% in the current year (Previous year: 13.80%).

Can Fin Homes Ltd

- CFHL's cost to income ratio was 28.29% for the year ended 31st March, 2014 as against 32.80% in the previous year.
- For the year ended 31st March, 2014, a dividend of ₹ 6.50 per share is being recommended as against ₹ 4.00 per share in the previous year.
- The dividend payout ratio will be 17.59% as against 15.14% in the previous year.



Spread on Loans.

The average yield on loan assets during the year was 11.22% per annum as compared to 11.58% per annum in the previous year. The average all-inclusive cost of funds was 9.79% per annum as compared to 9.95% per annum in the previous year. The spread on loans over the cost of borrowings for the year was 1.43% per annum as against 1.63% per annum in the previous year.

Prudential Norms for Housing Finance Companies (HFCs)

NHB has issued guidelines to HFCs on prudential norms for income recognition, provisioning norms, asset classification, capital adequacy, charging of uniform rate of interest, 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 is in compliance with all these norms.

CFHL's total borrowings as at 31st March, 2014 of ₹ 5,269 Crore were within the permissible limit of 16 times the net owned funds. Of this the public deposits of ₹ 169 Crore were also within the limit of 5 times the net owned funds as prescribed by NHB. CFHL has complied with the guidelines issued by NHB regarding the ceiling on interest rates offered on deposits and does not pay any brokerage for deposits canvassed.

The Capital Adequacy Ratio (CAR) of the Company is 13.84% as on 31st March, 2014 as against the 12% stipulated by NHB with the risk weighted assets standing at ₹ 3,203.24 Crore.

As per the 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 recognized. 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 norms.

As per the prudential norms, CFHL is required to carry a provision of ₹ 25.20 Crore on standard assets and a provision of ₹ 6.59 Crore on NPAs of ₹ 12.10 Crore as on 31st March, 2014. As against the above requirement, CFHL has carried a provision of ₹ 26 Crore on standard assets, and as a matter of abundant caution, we have provided for the entire NPA amount of ₹ 12.10 Crore. As a result, CFHLs net NPAs are Nil on the outstanding loans of ₹ 5,844 Crore.

During the year, CFHL has written off an amount of ₹3.22 Cr in respect of individual loans where all efforts had been made for recovery and chances of recovery were feeble. However, CFHL continued to put efforts in respect of earlier written off accounts and could recover an amount of ₹0.22Cr(Previous year: Rs0.10 cr) during the year in respect of such written off accounts.

Human resources.

Human resources are the most precious assets of the Company. The staff position as at the end of the current financial year was 387 against the previous financial year's figure of 319. During the year 69 junior officers on contract and 13 Managers have been recruited, giving preference for qualified local candidates for the new branches/centre's requiring additional staff. 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 mentoring Executive handholds the new entrant to enable his/her smooth transition into the organization and help him/her adapt to the value system and its working.

Training has been imparted to all the Officers and employees during the year. Business per employee has increased from ₹11.43 Crore as on 31st March, 2013 to ₹13.90 Crore as on 31st March, 2014.

IT and IT Security

To improve the operational efficiency and bring homogeneity in the operations, the Company has migrated to Core Banking System viz., Integrated Business Suite (IBS). All the branches of the Company and the RO are connected through Intranet and Internet. The Company has taken required initiatives in maintaining Data Integrity and Adequate control over the data. The IT security is ensured through periodical audit of its operating systems 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 and Online Portal in the Company's website. The Company has introduced the 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 installments, extend wishes for birthdays, inform details of loan schemes etc. 74% of collection of installments is done through Electronic Clearing System (ECS).

Related Party Transactions

CFHL is maintaining an arm's length distance with the related parties. The related party transactions with details are furnished in the Note forming part of the accounts.

Outlook for 2014-15

CFHL has drawn a challenging business plan for 2014-15. CFHL would continue to focus on lending to individual loan segments, increasing the Non Housing Loan segment, improving the profitability and extending business operations. 26 new branches are expected to be opened during the year 2014-15 in potential centres contributing to the growth of business. Contributions through the network of Direct Selling Agents (DSAs) are also expected to remain at about 55%.

During the current year, the RBI & Govt have a stated Policy of Managing inflation, promoting investment through generation of employment & income and improving the infrastructural facilities including housing. The real estate industry including housing is expected to get a boost in the current year. However, pressure for reduction of rate of interest and consequently its impact on the spread is expected to continue.

Cautionary Statement

The statements/ averments made in this report describing the Companies 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

Place: Bengaluru
Date : June 04, 2014

Sd/-
S.R.IYER
CHAIRMAN

Report of the Directors on Corporate Governance

Corporate Governance is an essential philosophy. Corporate Governance is a set of systems and practices ensuring commitment to values, ethical conduct of business, accountability, transparency, and compliance of laws and acceptance by management of the inalienable rights of shareholders as the true owners of the Company. It requires a clear understanding of the respective roles of the Board, Management Personnel in Senior Management levels and their related roles in the corporate structure. Corporate Governance comprises a unique combination of factors like compliance of statutory regulations, values, political and economic environments, transparency, accountability, voluntary practices and disclosures. 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 stakeholder's interests. Corporate Governance is the key to the integrity of corporations, financial institutions and markets.

Corporate Governance at CFHL

The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosures requirements mentioned in the 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 legal requirements, but also practices aimed at 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 the principles that underline the effective Corporate Governance. The Company's Board oversees how the management serves and protects the long-term interests of the stakeholders. With the best practices put-in place over the years on timely and accurate disclosure of information on Company's financials, performance, governance and other related matters your Company has crossed the threshold of 26 years of its fruitful existence.

Your Company has built confidence amongst the stakeholders all these years not only because of its adherence to the standards and compliance with statutory and regulatory guidelines/directions but its determination to achieve higher levels of excellence in the areas of meeting the stakeholder's expectations, customer satisfaction, employee welfare and its obligations towards the society. 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 directors are pleased to place here below a report on the Corporate Governance practices followed in CFHL.

Board of Directors

The directors of your Company are persons of integrity and bring to the Board a wide range of experience and skills. The Directors are professionals and persons of eminence with vast experience in the field of Banking, Housing, Finance, Audit, Management, Law and other relevant areas.

Composition

Sl. No.	Name of the Director	Age (yrs)	DIN	Executive/ Non-Executive	Category
1.	Shri S.R.Iyer, Chairman	74	00580437	Non-Executive	Independent
2.	Shri C.Ilango Managing Director	58	03498879	Executive	Promoter Director
3.	Shri K.S.Madhava Murthy FCA (upto 10/01/2014)	58	03388811	Non-Executive	Independent
4.	Shri K.R.Vijayendra	65	01279290	Non-Executive	Independent
5.	Shri P.B.Santhanakrishnan, FCA	62	03213653	Non-Executive	Independent
6.	Shri S.A.Kadur (w.e.f. 07/06/2013)	56	06426985	Non-Executive	Promoter Director
7.	Shri T.V.Rao (w.e.f. 01/02/2014)	62	05273533	Non-Executive	Additional Director Independent
8.	Shri K.N.Prithviraj (w.e.f. 04/06/2014)	67	00115317	Non-Executive	Additional Director Independent

As of date, the Board consists of 7 members, two of them are Promoter Directors, three of them are independent directors (as defined under Clause 49 of listing agreements) and two are additional directors.

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 are independent of management and free from any business or pecuniary relationship or transaction with the Company, its subsidiary, holding or associates or directors or such other relationship which could materially interfere with the exercise of their independent judgement.

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

The Board of directors of your Company met 8 times during the year 2013-14. The details of the Board of Directors in terms of their directorships held, number of meetings attended during their tenure / upto 31/03/2014, sitting fee paid, their memberships/Chairmanships and attendance at the AGM are as under:

Name of the Director	Director-ships 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 07/08/2013
Shri S.R. Iyer ,Chairman	13	8/8	80,000	13	8	Attended
Shri C. Ilango, Managing Director	1	8/8	--	3	--	Attended
Shri K.S.Madhava Murthy (upto 10/01/2014)	1	6/6	60,000	2	1	Attended
Shri K.R.Vijayendra	2	8/8	80,000	4	2	Attended
Shri P.B.Santhanakrishnan	2	8/8	80,000	5	1	Attended
Shri S.A.Kadur (w.e.f 07/06/2013)	1	6/7	60,000 *	2	---	Attended
Shri T.V.Rao (w.e.f 01/02/2014)	6	2/2	20,000	5	---	-NA-
Shri K.N.Prithviraj (w.e.f. 04/06/2014)	10	0/0	Nil	9	3	-NA-

(Total no. of meetings held during 2013-14 = 8)

*Sitting fee paid to Canara Bank

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

Tenure of office

In terms of the provisions of Section 255 and 256 of "the Act", 2/3rd of the non-executive directors of the Company are liable to retire by rotation every year and 1/3rd of such directors would retire every year and if eligible, may seek re-appointment at the Annual General Meeting(s). 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.

Appointment of Directors

- (a) During the year under review, the Board of Directors appointed Shri T.V.Rao, Director EC, EXIM Bank, as an additional director w.e.f. February 01, 2014 under Section 260 of the Companies Act, 1956 and Article 22 of the Articles of Association of the Company.

Shri T.V.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 T.V.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 is presently heading the Capacity Building, Business Promotion and Development of Trade Promotion initiative of EXIM Bank.

Presently, Shri T.V.Rao, is a Director on the Boards of Electronica Finance Limited, Pune, LIC Housing Finance Ltd., Mumbai, BgSE Financials Ltd., Bangalore (Public Representative Director), Indus Medicare Ltd. and NATCO Pharma Limited, Hyderabad (Nominee of Export-Import Bank of India).

- (b) The Board of Directors appointed Shri K.N.Prithviraj as an additional director w.e.f. June 04, 2014 under Section 161 of the Companies Act, 2013 and Article 22 of the Articles of Association of the Company.

Shri K.N.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 more than 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 K.N.Prithviraj is the Administrator, Special Undertakings of Unit Trust of India (SUUTI) and Director on the Board of Axis Bank Ltd., (representing SUUTI), Surana Industries Ltd., PNB Investment Services Ltd., National Financial Holdings Ltd., UTI Infra-technology Services Ltd., ILFS Infra Asset Management Pvt. Ltd., and Surana Minerals & Metals Ltd., Singapore.

Pursuant to the provisions of Section 161 and all other applicable provisions, if any of Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) and Article 22 of the Articles of Association of the Company, Shri T.V.Rao and Shri K.N.Prithviraj hold office as such only upto the date of ensuing annual general meeting. The subject relating to appointment of Shri T.V.Rao and Shri K.N.Prithviraj together 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 interest of the Company.

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 Graduate. Shri S.A.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 30 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.

Responsibilities

The Board mainly oversee the Company's strategic direction, reviews its performance, assesses the adequacy of risk-management and steps for mitigation of risks, monitors strategic investments, ensures regulatory compliance and safeguards 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 corporate strategy plans/vision, periodical performance, asset-liability position, statutory/legal compliance, notices, if any, received from statutory authorities which are material importance, claims on the Company, developments in human resources/ industrial relations, non-compliance, if any, with any of the statutory/regulatory authorities and remedial actions thereon and the like are reviewed by the Board periodically. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review mechanisms and processes.

Independent Directors- their role

Independent directors play a key role in the decision-making process of the Board. They strictly fall into the purview of the definition of the term 'independent director' as defined under Companies Act, 2013 and also the listing agreement(s). They are committed to act in what they believe to be in the best interests of the Company and oversee the performance of the management periodically. They have also submitted that they comply with all the provisions relating to them under the Companies Act 2013 and also that they abide by the code specified in Schedule IV of the said Act.

Independent directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company for its performance and growth and provide an un-biased, independent, experienced perspective to the Board. 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.

The Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee have the requisite number of independent directors.

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 previous 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 requirements 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 they have 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 meetings are 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. 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. Similar procedure is followed for each of the meetings of the Board committees.

The Board of directors of your Company met 8 times during the year 2013-14 viz., on April 25, 2013, June 07, 2013, July 30, 2013, August 30, 2013, October 29, 2013, December 10, 2013, February 01, 2014 and February 26, 2014.

The Board met on April 26, 2014 to approve the annual audited financial results of the Company for the year ended March 31, 2014.

Committees of the Board

The Board has constituted five Committees as of date viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Management Committee. In order to have a better and more focussed attention, certain matters are delegated to the committees constituted by the Board with an out-lined role, responsibility and with an appropriate delegation of authority. The minutes of the meetings of all the committees are placed before its next meeting for confirmation and placed before the Board for noting/information.

Audit Committee

The terms of reference of the committee inter alia include the recommendation for appointment, remuneration and terms of appointment/re-appointment/ removal of statutory/ external/internal auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of audit process, examination of financial statement and the auditor's report thereon, findings of internal investigations, if any, disclosure process, content, sufficiency, overseeing the Company's financial reporting process and disclosures of financial information, approval/ modification of transactions of related parties, 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 such other related matters to be included in the Directors' Responsibility Statement etc.

Can Fin Homes Ltd

The Committee also reviews the adequacy of the internal audit function, its structure, reporting 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. It also reviews the reports of the internal and statutory auditors and ensures that adequate follow-up action is taken by the management on observations and recommendations made by the respective auditors. In addition, the committee annually reviews the performance of the internal and statutory auditors.

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, viz., on April 24, 2013, July 29, 2013, October 28, 2013 and February 01, 2014. The particulars of members of the Committee, No. of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of Meetings Attended/ held during the tenure of the member	Sitting Fee paid Fees paid (₹)
Shri K.S.Madhava Murthy, FCA Chairman (upto 10/01/2014)	3/3	15,000
Shri K.R.Vijayendra	4/4	20,000
Shri S.A.Kadur	3/4	15,000 *
Shri P.B.Santhanakrishnan, FCA (w.e.f 01/02/2014)	1/1	5,000

(Total no. of meetings held during 2013-14 = 4)

* Sitting Fee paid to Canara Bank

Shri P.B.Santhanakrishnan has been inducted as a member of the Committee w.e.f. February 01, 2014 in place of Shri K.S.Madhavamurthy, Director, who has since resigned. Presently, P.B.Santhanakrishnan is the Chairman of the Audit Committee.

The Chairman of the committee was present at the 26th Annual General Meeting of the Company to answer shareholder queries.

The Company Secretary is the Secretary to the Audit Committee.

Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee

In terms of the applicability of the provisions of the Companies Act, 2013 effective from April 01, 2014, the Board of Directors have constituted the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the Corporate Social Responsibility Committee w.e.f. June 04, 2014 authorising the Committee with clear role and responsibilities in terms of the provisions of Companies Act, 2013.

The Company has been extending support for social causes during the previous years like extending financial support to brilliant poor students, donations to government middle/ higher primary schools, Vedik Sanskar Shiksha Kendra, etc.

Management Committee

This Committee considers proposals for loans to individuals/ builders, rates of interest on such loans, terms and conditions for sanction and certain other important related assignments in terms of the powers delegated to the Committee by the Board.

During the year the Management Committee met on August 30, 2013 and March 07, 2014. The particulars of members of the Committee, No. of meetings attended by them/held during their tenure of membership and the sitting fee paid are mentioned hereunder:

Members	No. of meetings attended/held during the tenure of the member	Sitting Fee paid (₹)
Shri S.R.Iyer, Chairman	2/2	10,000
Shri C.Ilango, Managing Director	2/2	--
Shri S.A.Kadur (w.e.f. 07/06/2013)	2/2	10,000 *

(Total no. of meetings held during 2013-14 = 2)

* Sitting fee paid to Canara Bank.

The Company Secretary is the Secretary to the Management Committee.

Shareholders'/Investors' Grievance Committee

The terms of reference of the committee inter alia include review mechanism adopted by the Company for redressing the shareholders complaints.

This Committee reviews/approves processes, standard operating procedures and initiatives taken by the Company relating to investor service, compliances with the requirements relating 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, complaints, if any, lodged with authorities including SEBI, Registrar of Companies etc., by the shareholders, compliance with the applicable provisions of the Companies Act, 1956 and various other statutes and redressal of grievances.

During the year the Shareholders'/Investors' Grievance Committee met 4 times, viz., April 25, 2013, July 30, 2013, October 29, 2013 and February 01, 2014. The particulars of members of the Committee, meetings held, their attendance at the meetings and the sitting fee paid are mentioned hereunder:

Members	No.of meetings attended/held during the tenure of the member	Sitting Fees paid (₹)
Shri P.B.Santhanakrishnan, Chairman	4/4	20,000
Shri C.Ilango, Managing Director	4/4	--
Shri K.S.Madhava Murthy (upto 10/01/2014)	3/3	15,000
Shri T.V.Rao (w.e.f. 01/02/2014)	1/1	5,000

(Total No. of meetings held during 2013-14=4)

The Board is pleased to inform that no complaints were lodged by the investors on SEBI Compliant Redress System (SCORES) during the financial year under review. Requests by shareholders for revalidation of dividend warrants/issue of cheques in lieu of the said warrants are resolved within a reasonable time.

Can Fin Homes Ltd

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.

Your Board has constituted the Stakeholders' Relationship Committee in terms of the Companies Act, 2013 in place of the Shareholders'/Investors' Grievance Committee and defined the role and responsibilities of the Committee.

During the period under review, 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.

The Company Secretary is the Secretary to the Committee.

All the Committees of the Board 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 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.

Code of Conduct

The Company has framed and adopted a Code of Conduct for its directors and senior management, duly approved by the Board. For the year under review, all the directors and senior management have affirmed their adherence to the provisions of the said Code. The above 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.

Whistle Blower Policy / Vigil Mechanism

The management has implemented the Whistle Blower Policy, which enables the Company's personnel, who observe unethical or improper practice, if any, in the Company, to directly approach the Audit Committee without necessarily informing their superiors. A communication in that regard has been sent to all the employees of the Company and reiterated during Branch Managers Conference, training programs and by way of Circulars. The Company affirms that the management protects such 'Whistle Blowers' from unfair termination and other unfair prejudicial employment practices.

Disclosures

Transactions with Related Parties

The non-executive directors of the Company do not have any material pecuniary relationships or transactions with the Company or its directors, senior management, associate companies, other than in the normal course of business.

There were no material individual transactions with related parties, which were not in the normal course of business nor were there any material transactions with related parties or others, which were not on an arm's length basis. Details of related party transactions entered into by the Company in the normal course of business are included in the notes forming part of the financial statements (Note No. 28 at Page No. 68 of the annual report).

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).

Risk Management

The Company has constituted a risk management framework laying down the procedures for risk assessment and mechanisms for their mitigation. During the year the Risk Management Committee constituted for the purpose met at fixed intervals and reviewed about the key risks associated with the business of the Company, causes and the efficacy of the measures taken to mitigate the same. The Committee apprised the Board of Directors about the key risks associated with the business of the Company, risk profile, overall risk rating and steps taken to mitigate the same.

Further, the Audit Committee and the Board of Directors reviewed the key risks associated with the business of the Company, the procedures in place to assess the risks and the mitigation mechanisms. The Committee comprise the Managing Director and certain senior management personnel.

Remuneration of Non-Executive Directors

The non-executive directors of the Company are paid only the sitting fee for attending the meetings of the Board or Committees and no other remuneration is being paid to them.

Shareholding of Non-Executive Directors

Shri P.B.Santhanakrishnan, FCA, an Independent Director of the Company holds 400 nos. of 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 forming part of the Report of the Directors.

Means of communication to the Shareholders

Presently, the Company has about 17,250 shareholders all over India. The means of communication to the shareholders includes the informative Annual Report, containing the Report of Directors, Report of the Directors on Corporate Governance, Management Discussion and Analysis report, related information in the Section 'General Information to shareholders', audited Financial Statements together with the Auditors Report.

The Company also communicates with the shareholders through its website, www.canfinhomes.com vide a separate 'Investors' page. The un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual report, the shareholding pattern, unclaimed/unpaid dividend, Fair Practice Code, KYC guidelines, nomination by members, ECS mandate, dematerialisation of shares, SEBI circulars insisting for payments to members through electronic mode etc., with select download facilities are made available on the above website for information and utility of the shareholders of the Company.

Can Fin Homes Ltd

The audited/ unaudited financial results are published in leading newspapers namely in English and in the Regional Language viz., Kannada. All material information about the Company, including quarterly and yearly financial results, limited review reports, and shareholding pattern are promptly uploaded/ sent to the stock exchanges where the Company's shares are listed. Besides, the Company disseminates information through press.

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

The Annual Report of the Company for the financial year 2013-14 will be e-mailed to the members whose email addresses are available with the depositories or registered by the members with the Company in terms of communication of the Ministry of Corporate Affairs on 'Green Initiative'. 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.

Certification of Financial Reporting and Internal Controls

In terms of Clause 49 V of the listing agreements, a certificate from the CEO/CFO of the Company confirming the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee was taken on record at the Board meeting held on April 26, 2014, convened for approval of the audited financial results of the Company for the year under review.

Subsidiaries

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

Compliance

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.

M/s.K.P.Rao & Co., Chartered Accountants have certified that the Company has complied with the mandatory requirements as stipulated under Clause 49 VII of the listing agreements. The said certificate is annexed to the Report of Directors and will be submitted to the stock exchanges and the MCA along with the Annual Report.

Compliance with non-mandatory requirements

The details of compliance with regard to non-mandatory requirements as per Clause 49 of the Listing Agreement(s) relating to the Compliance Officer are mentioned in the 'General Information to Shareholders'. 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.

General information to shareholders

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.

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.

Green initiatives in corporate governance

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.

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

Place : Bengaluru
Date : June 04, 2014

Sd/-
S.R.IYER
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.9 of Annexure IC to Clause 49 of the Listing Agreement(s).

Board Meetings

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

Annual General Meetings (AGMs)

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

Year	Time	Day	Date	Venue
2011	11.00 A.M.	Wednesday	August 24, 2011	J.S.S.Mahavidya Peetha "Shivarathreeshwara Centre" Auditorium, I Main, 8th Block, Jayanagar, Bengaluru 560 082
2012	11.00 A.M.	Wednesday	August 08, 2012	Same as above
2013	11.00 A.M	Wednesday	August 07, 2013	Same as above

Special Resolutions passed at the previous 3 Annual General Meetings:

2011	Appointment of Statutory and Branch Auditors as per Section 224(A) of the Companies Act, 1956.
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.

27th Annual General Meeting (AGM)

Day/Date : Wednesday, July 30, 2014

Time : 11 A.M.

Venue : J.S.S. Shivarathreeshwara Centre Auditorium, I Main, 8th Block, Jayanagar, Bengaluru 560 082.

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

Financial Year is from April 01, 2014 to March 31, 2015:

Calendar 2014-15: 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, 2014.	During Second/Third week of July, 2014
Audit Committee / Board	To review, approve and take on record the financial results for the quarter ending September 30, 2014.	During Second/Third week of October, 2014
Audit Committee / Board	To review, approve and take on record the financial results for the quarter ending December 31, 2014.	During Second/Third week of January, 2015
Audit Committee / Board	To review, approve and take on record the financial results (Audited) for the quarter ending March 31, 2015.	During Second/Third week of April, 2015.

Date of book closure : Thursday the July 17, 2014 to Wednesday the July 30, 2014 (Both days inclusive).

Dividend payment : During the 1st week of August 2014

The Board of Directors of the Company have recommended a dividend at ₹6.50 per equity share of ₹10/- each (65%), for the financial year ended March 31, 2014, subject to approval of the shareholders at the ensuing annual general meeting.

Entitlement for dividend:

- 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 Wednesday the July 16, 2014.
- 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 Wednesday the July 16, 2014.

Listing of equity shares

Bombay Stock Exchange Ltd., 1st floor, Rotunda Building, B.S.Marg, Fort Mumbai – 400 021	National Stock Exchange of India Ltd., “Exchange Plaza”, Bandra-Kurla complex Bandra(E) Mumbai-400051.	Bangalore Stock Exchange Ltd., Stock Exchange Towers, 51. 1st cross, J.C.Road, Bengaluru-560 027.
---	---	---

Listing fee

The listing fees for the year 2013-14 and 2014-15 have been paid to all the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for the above period to NSDL and CDSL has also been paid within the due dates.

Can Fin Homes Ltd

Stock code

The Scrip Name and Scrip Code at the Bangalore Stock Exchange Ltd., The Bombay Stock Exchange 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.

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,	2013	163.00	133.30	162.00	136.05
May,	2013	159.95	143.00	158.90	143.00
June,	2013	160.00	137.15	154.30	136.30
July,	2013	144.40	124.50	143.90	123.05
August,	2013	132.40	113.20	133.00	113.00
September,	2013	135.00	102.00	149.00	114.00
October,	2013	155.00	126.10	154.00	125.30
November,	2013	158.90	141.00	158.00	140.00
December,	2013	180.50	149.20	179.85	150.00
January,	2014	177.00	160.00	182.00	160.00
February,	2014	179.85	166.95	180.00	167.00
March,	2014	196.80	171.65	198.00	172.00

Registrar & 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

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.

Dematerialisation of shares

The equity shares of the Company are in the list of scrips specified by SEBI to be compulsorily traded in the electronic form. About 94.73% of paid up capital is held in dematerialised form and the remaining 5.27% 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.

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 Registered Office of the Company by addressing their mails to the e-mail IDs: sathyaprakash@canfinhomes.com; compsec@canfinhomes.com.

Phone Nos.:080-26564259, 080-26565736.

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 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 31.03.2014 (₹)	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) *
2006-07	2.50	707207.50	1.38	19.07.2007	19.07.2014
2007-08	2.50	765290.00	1.49	24.09.2008	24.09.2015
2008-09	2.00	611190.00	1.49	27.08.2009	27.08.2016
2009-10	2.00	735446.00	1.79	25.08.2010	25.08.2017
2010-11	2.50	921590.00	1.79	24.08.2011	24.08.2018
2011-12	3.00	1134801.00	1.84	08.08.2012	08.08.2019
2012-13	4.00	1747620.00	2.13	07.08.2013	07.08.2020

*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.

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.

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 particular 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.

Nomination

The shareholders of the Company may at any time, nominate in the prescribed manner, a person to whom his/her shares in the Company 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 may jointly nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/ dematerialisation of shares.

Pursuant to Section 72 of the Companies Act, 2013 individual/joint members are entitled to register nomination in respect of the shares held by them in Form No.SH-13 to the RTA. The said form is made available in this Annual Report. Shareholders holding shares in dematerialised form are requested to contact their respective depository participants.

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 are 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.

Shareholding pattern of the company as of March 31, 2014

Sl.No.	Particulars Category of Shareholder	Number of shareholders/ folios	Total number of shares	Total shareholding as % of total No. of equity share holdings
1	Promoter and Promoter Group	2	8681808	42.38
2	Mutual Funds/UTI	2	362	0.00
3	Financial Institutions/Banks	2	2231	0.01
4	Insurance Companies	1	50201	0.25
5	Foreign Financial Institutions	3	2500	0.01
6	Foreign Institutional Investors	1	124100	0.60
7	Bodies Corporate	292	5558201	27.13
8	Individuals	16282	5712770	27.89
9	Qualified Foreign Investor	1	5800	0.03
10	Custodian – Fair Growth Investments Ltd.	1	300	0.00
11	Director & their relatives	1	400	0.00
12	Non Resident Indians	164	102682	0.50
13	Clearing members	53	23567	0.12
14	Hindu Undivided Families	216	214683	1.05
15	Employee shareholders	23	5645	0.03
16	GRAND TOTAL	17,044	20485250	100.00

Distribution of shareholding as of March 31, 2014

Amount (₹)	Members		Shares	
	Number	%	Amount (₹)	%
Upto - 5000	15380	90.24	22851330	11.16
5001 - 10000	914	5.36	7235090	3.53
10001 - 20000	352	2.07	5293020	2.58
20001 - 30000	127	0.75	3242100	1.58
30001 - 40000	54	0.32	1933120	0.94
40001 - 50000	48	0.28	2231040	1.09
50001 - 100000	92	0.54	6805590	3.32
100001 - and above	77	0.44	155261210	75.80
Total	17044	100.00	204852500	100.00

Compliance Officer

: **Shri K.S.Sathyaprakash**
AGM & Company Secretary

Can Fin Homes Ltd.,

CIN : L 85110KA1987PLC008699

Registered Office: No.29/1, I Floor

Sir M.N.Krishna Rao Road, Basavanagudi,

Bengaluru-560 004

Tel : 080-26565736/26564259

Fax : 080-26565746

e-mail : sathyaprakash@canfinhomes.com

compsec@canfinhomes.com

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Can Fin Homes Ltd.,

Bengaluru.

We have examined the compliance of conditions of Corporate Governance by M/s. Can Fin Homes Ltd. for the year ended March 31, 2014 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 of 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 the 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 Registration No.: 0031355

Sd/-
(K.SURYAPRAKASH)

Partner
Membership No.018857

Place : Bengaluru

Date : June 02, 2014

AUDITOR'S REPORT

TO THE MEMBERS OF CAN FIN HOMES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Can Fin Homes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 3 branches audited by us, 80 branches audited by Branch Auditors. These auditors are appointed based on the guidelines, terms and conditions approved by the Board.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the 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:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
2. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
3. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditor's Reports have been forwarded to us and have been appropriately dealt with by us in preparing this report;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the audited returns received from the Branches.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. and
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **K P Rao & CO.**
Chartered Accountants
Firm Registration No.: 003135S

Sd/-

K SURYA PRAKASH
Membership Number: 018857

Place : Bengaluru
Date : April 26, 2014

ANNEXURE TO AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)

1.
 - a) The company has maintained proper records showing full particulars inclusive of quantitative details and situation of fixed assets.
 - b) The management has physically verified the fixed assets during the course of the year and no material discrepancies were noticed on such physical verification.
 - c) The company has not disposed off any substantial part of the fixed assets during the year.
2. As the Company does not have any inventory of goods, the provisions of Para 4(ii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
3.
 - a) The company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies act, 1956. Therefore the clauses (b), (c) and (d) of Para (iii) of the Companies (Auditors report) Order, 2003 are not applicable.
 - b) The Company has not taken any loans secured or unsecured to Companies, firms or other Parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the clauses (f) and (g) of Para (iii) of the Companies (Audit Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, the internal control system for the purchase of fixed assets and for the sanction, disbursement and recovery of loans given by the Company are adequate and commensurate with the size of the company and present nature of its business. During the course of audit, we have not observed any continuing failure to correct major weakness in internal controls.
5.
 - a) According to the information and explanations given to us based on the representations given by the management, we are of the opinion, that the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies act, 1956 have been so entered.
 - b) As there are no transactions made during the year in pursuance of contract or agreements entered in the register maintained under Section 301 of the Companies Act, 1956, the Provisions of this para are not applicable to this Company.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 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 the public. The Company Law Board or the National Company Law Tribunal or the Reserve Bank or any Court or any other Tribunal has passed no order.
7. The Internal Audit is being conducted by Firms of Chartered Accountants and in our opinion, the scope and coverage of internal audit is commensurate with size and nature of Company's Business.

Can Fin Homes Ltd

8. The Central Government has not prescribed the maintenance of cost record under Section 209(1)(d) of the Companies Act, 1956 for the Company
9. a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Interest Tax, Cess and other statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Income Tax, Service Tax, Cess, which have not been deposited on account of any dispute :

(₹ in Lakhs)

Name of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Where dispute is pending
Income Tax Act	Additional deduction u/s 80M	39,84,813	A Y 1995-96	Department has filed an appeal before the High Court
Income Tax Act	Additional Tax levied	33,07,007	A Y 1996-97	Department has filed an appeal before the Supreme Court
Income Tax Act	Additional Tax levied	12,67,616	A Y 1997-98	Departmental appeal before the Hon'ble High Court of Karnataka dismissed. Department has filed an appeal before the Hon'ble Supreme court of India.
Income Tax Act	Short Allowance of benefit u/s 36(1)(viii)	57,99,784	A Y 1998-99	Departmental appeal before the Hon'ble High Court of Karnataka dismissed. Department has filed an appeal before the Hon'ble Supreme court of India.
Income Tax Act	Levy of penalty u/s 271(1)(C)	4,48,13,345	A Y 2007-08	Company has filed an appeal before High Court
Income Tax Act	Short payment of Dividend Distribution Tax as per order u/s 143(1)	16,43,798	A Y 2011-12	The company has determined probable liability of Rs. 1,97,812 and made request for adjustment of the said amount against the refund due. Orders awaited, from Tax authorities.
Total		6,08,16,363		

10. In our opinion, the Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
11. In our opinion and according to information and explanations given to us, the Company has not defaulted in payment of dues to its banks, Financial Institutions and Debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on security of shares, other securities.
13. In our opinion and according to the information and explanations given to us the company is not a Chit Fund, Nidhi or Mutual Benefits Trust/Society.
14. According to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given guarantee in respect of loans taken by other Companies from banks and financial institutions.
16. In our opinion and according to the information and explanations given to us, the Company has prima facie applied the term loans for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that prima facie no funds raised on short term basis have been utilized for any long term investment purposes.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the company has issued Secured Redeemable Non Convertible Non cumulative Taxable debentures worth Rs 250 crores, repayable after three years with yearly fixed interest of 10.05% through private placement. These debentures are secured by negative lien on the assets of the company and immovable property-apartment located at Kodigehalli, Hebbal.
20. According to the information and explanations given to us, the Company has not raised any monies from public issues during the year.
21. According to the information and explanations given to us, no material fraud on the Company or by the Company was noticed or reported during the year. However there have been few cases 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, in respect of which adequate provision has been made in the accounts.

For **K P Rao & CO.**

Chartered Accountants

Firm Registration No.: 003135S

Sd/-

K SURYA PRAKASH

Membership Number: 018857

Place : Bengaluru

Date : April 26, 2014

BALANCE SHEET

as at March 31, 2014

(₹ in lakh)

Particulars	Note No.		As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES				
(1) Shareholders Funds				
(a) Share Capital	2	2,048.75		2,048.75
(b) Reserves and Surplus	3	43,181.72		37,168.37
			45,230.47	39,217.12
(2) Non-Current Liabilities				
(a) Long Term Borrowings	4	4,32,879.49		2,89,925.80
(b) Long Term Provisions	5	4,075.90		3,200.07
			4,36,955.39	2,93,125.87
(3) Current Liabilities				
(a) Short Term Borrowings	6	36,589.24		17,366.76
(b) Other Current Liabilities	7	67,310.65		53,663.06
(c) Short Term Provisions	8	5,078.81		3,327.58
			1,08,978.70	74,357.40
Total			5,91,164.56	4,06,700.39
II ASSETS				
(1) Non - Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	9	781.63		649.96
(ii) Capital work in progress		0.00		29.43
(b) Non-Current Investments	10	1,493.50		1,593.50
(c) Deferred Tax Assets (Net)	11	486.49		487.49
(d) Long Term Loans and Advances	12	5,83,061.47		3,99,547.90
			5,85,823.08	4,02,308.28
(2) Current Assets				
(a) Cash and Cash Equivalents	13	915.35		854.46
(b) Short Term Loans and Advances	14	4,380.48		3,497.28
(c) Other Current Assets		45.64		40.37
			5,341.48	4,392.11
Total			5,91,164.56	4,06,700.39

See accompanying notes forming part of the financial statements.

For **K P Rao & Co.,**
Chartered Accountants
Firm Registration No.: 0031355

S.R.Iyer
Chairman

C Ilango
Managing Director

K.R.Vijayendra
Director

Surya Prakash K
Partner
Membership No: 018857

P.B.Santhanakrishnan
Director

S.A.Kadur
Director

T.V.Rao
Director

Place : Bengaluru
Date : April 26, 2014

Atanu Bagchi
Chief Financial Officer

K.S.Sathyaprakash
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from Operations	16	57,774.41	39,248.32
Other Income	17	25.96	21.19
Total Revenue		57,800.37	39,269.51
EXPENSES			
Employee Benefit Expenses	18	1,789.94	1,572.88
Finance Costs	19	42,276.72	28,301.07
Depreciation and Amortization Expenses	20	201.03	115.91
Other Expenses	21	2,400.75	1,908.84
Total Expenses		46,668.44	31,898.71
Profit Before Tax, Provision and Exceptional Items		11,131.93	7,370.80
Provisions			
Provision for Standard Assets	12.4	800.00	685.00
Provision for Doubtful Debts Written back	22	(355.69)	(823.81)
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		10,687.61	7,509.62
Exceptional Items			
Prior Period Adjustments		22.42	—
Profit Before Tax		10,665.19	7,509.62
Tax expenses:			
(a) Current year		3093.00	2,000.00
(b) Previous Year		0.00	19.52
(c) Deferred Tax		1.00	78.00
PROFIT FOR THE PERIOD		7,571.19	5,412.09
Earning per Equity Share (face value ₹ 10/-)			
(1) Basic (in ₹)		36.96	26.42
(2) Diluted (in ₹)		36.96	26.42

See accompanying notes forming part of the financial statements.

For **K P Rao & Co.,**
Chartered Accountants
Firm Registration No.: 003135S

S.R.Iyer
Chairman

C Ilango
Managing Director

K.R.Vijayendra
Director

Surya Prakash K
Partner
Membership No: 018857

P.B.Santhanakrishnan
Director

S.A.Kadur
Director

T.V.Rao
Director

Place : Bengaluru
Date : April 26, 2014

Atanu Bagchi
Chief Financial Officer

K.S.Sathyaprakash
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDING ON MARCH 31, 2014

(₹ in Lakhs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	11,131.93	7,370.80
ADJUSTMENTS FOR :		
Depreciation	201.03	115.91
(Profit)/Loss on sale of Assets	0.66	(5.64)
Interest/Dividend	(141.08)	(108.03)
Bad debts written off / Recovered	321.73	329.33
Provision for retirement benefits	128.91	224.01
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11,643.18	7,926.38
ADJUSTMENTS FOR :		
Current Assets	(20.54)	(20.17)
Current Liabilities	2,796.24	4,287.82
	2,775.70	4,267.64
CASH GENERATED FROM OPERATIONS	14,418.88	12,194.02
Direct taxes paid	(3038.71)	(1,921.35)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	11,380.17	10,272.67
NET CASH FROM OPERATING ACTIVITIES 'A'	11,380.17	10,272.67
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(337.71)	(482.39)
Sale of Fixed Assets	4.35	17.16
Purchase of Investments	—	—
Sale of Investments	100.00	100.00
Interest Received	141.08	108.03
NET CASH USED IN INVESTING ACTIVITIES 'B'	(92.28)	(257.20)

CASH FLOW STATEMENT FOR THE YEAR ENDING ON MARCH 31, 2014

(₹ in Lakhs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	—	—
Long Term Borrowings (Net of Repayments)	1,72,963.48	1,23,859.43
Loans (Net of Repayments) *	(1,83,238.13)	(1,34,019.54)
Dividends paid	(952.34)	(714.25)
NET CASH USED IN FINANCING ACTIVITIES 'C'	(11,226.99)	(10,874.37)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 'A+B+C'	60.90	(858.89)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS 'D'	854.46	1,713.35
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS 'E'	915.35	854.46
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 'E-D'	60.90	(858.89)

* Including Securitised Assets

S.R.Iyer
Chairman**C.Ilango**
Managing Director**K.R.Vijayendra**
Director**P.B.Santhanakrishnan**
Director**S.A.Kadur**
Director**T.V.Rao**
Director**Atanu Bagchi**
Chief Financial Officer**K.S.Sathyaprakash**
Company Secretary

We have examined the above Cash Flow Statement of Can Fin Homes Ltd., Bangalore for the period ended March 31st, 2014. 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
Firm Registration No.: 003135S

Surya Prakash K
Partner
Membership No:018857

Place : Bengaluru
Date : April 26, 2014

1. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

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.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

(₹ in Lakhs)

		As at March 31, 2014	As at March 31, 2013
2. SHARE CAPITAL			
AUTHORISED			
7,00,00,000 Equity Shares of ₹10 each		7,000.00	7,000.00
ISSUED AND SUBSCRIBED			
2,05,00,000 Equity Shares of ₹10 each		2,050.00	2,050.00
PAID UP			
2,04,85,250 Equity shares of ₹10 each	2,048.53		
Add : Forfeited Shares	0.22	2,048.75	2,048.75
		2,048.75	2,048.75

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

	As at March 31, 2014		As at March 31, 2013	
	No	₹ in lakhs	No	₹ in lakhs
Equity Shares outstanding as at the beginning of the year	2,04,87,500	2,048.75	2,04,87,500	2,048.75
Add: shares issued during the year	—	—	—	—
Equity Shares outstanding as at the end of the Year	2,04,87,500	2,048.75	2,04,87,500	2,048.75

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

	As at March 31, 2014		As at March 31, 2013	
	No	% of shares held to total shares	No	% of shares held to total shares
Canara Bank	86,81,808	42.38	86,81,808	42.38
Chhattisgarh Investments Ltd	28,81,906	14.07	28,81,906	14.07

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

		(₹ in Lakhs)
	As at March 31, 2014	As at March 31, 2013
3. RESERVES AND SURPLUS		
SPECIAL RESERVE (Refer Note 3.1)		
(in terms of Section 36(1)(viii) of Income Tax Act, 1961)		
Opening Balance	19,871.00	18,371.00
Add: Transferred from P & L account	2,500.00	1,500.00
	22,371.00	19,871.00
GENERAL RESERVE		
Opening Balance	15,064.00	13,264.00
Add: Transferred from P & L account	2,000.00	1,800.00
	17,064.00	15,064.00
ADDITIONAL RESERVE (u/s 29C of The NHB Act)		
Opening Balance	1,100.00	—
Add: Transferred from P & L account	1,600.00	1,100.00
(Refer Note 3.2)	2,700.00	1,100.00
SECURITY PREMIUM RESERVE	525.00	525.00
PROFIT AND LOSS ACCOUNT		
Opening Balance	608.37	548.55
Add: Surplus in the statement of Profit and Loss account	7,571.19	5,412.09
	8,179.56	5,960.64
Less: Appropriation for:		
Special Reserve	2,500.00	1,500.00
General Reserve	2,000.00	1,800.00
Additional Reserve (u/s 29C of the NHB Act)	1,600.00	1,100.00
Proposed Dividend	1,331.54	819.34
Corporate Dividend Tax thereon	226.30	132.93
	521.72	608.37
	43,181.72	37,168.37

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

- 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 hitherto transferred a sum of ₹ 19,871 lakh to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹ 1,100 lakh to Additional Reserve created during 2012-13 U/S 29C of the NHB Act, 1987. During the FY 2013-14, Company has transferred a sum of ₹ 2,500 lakh to the Special Reserve and ₹1,600 lakh to the Additional Reserve.
- 3.3 Presentation of Reserve Fund as per NHB's policy circular reference NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014:

Particulars	Amount (₹ in Lakhs)
Balance at the beginning of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	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	19,871.00
c) Total	20,971.00
Addition / Appropriation / Withdrawal during the year	
Add:	
a) Amount transferred u/s 29C of the NHB Act, 1987	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.	2,500.00
Less:	
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	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
Balance at the end of the year	
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	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	22,371.00
Total	25,071.00

Can Fin Homes Ltd

	(₹ in Lakhs)	
	As at March 31, 2014	As at March 31, 2013
4. LONG TERM BORROWINGS		
SECURED (Refer Note 4.1)		
National Housing Bank	1,99,616.39	1,52,487.94
Loans and Advances from Related parties *	1,90,074.53	1,29,617.05
Loans and Advances from HDFC Bank	2,202.86	0.00
Loans and Advances from Bank of Baroda	10,000.00	0.00
10.05% Secured Redeemable Non Convertible Non-Cumulative Taxable Debentures (Refer Note 4.2)	25,000.00 4,26,893.78	0.00 2,82,104.98
*Represents the advances availed from Canara Bank		
UNSECURED		
Term Loan from HDFC Bank	0.00	300.00
Deposits (Refer Note 4.3)	5,985.71 4,32,879.49	7,520.82 2,89,925.80
4.1 The borrowings from National Housing Bank, Canara Bank, HDFC Bank and Bank of Baroda 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.		
4.2 During the year the Company has issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures worth ₹ 250 cr, repayable after three years with yearly fixed interest of 10.05%, through private placement. These debentures are secured by negative lien on the assets of the Company and immovable property – an apartment located at Kodigehalli, Hebbal, Bangalore.		
4.3 As per the Directions of the National Housing Bank, the Company has created floating charge on Investments in Govt. Securities and Deposits in Commercial Banks in favour of depositors in a manner prescribed by the National Housing Bank.		
	As at March 31, 2014	As at March 31, 2013
5. LONG TERM PROVISIONS		
Employee Benefits (Refer Note 26)	602.46	526.63
Contingencies	600.00	600.00
Standard Asset Provisions	2600.00	1800.00
Interest on Income Tax Refund	273.44 4,075.90	273.44 3,200.07
6. SHORT TERM BORROWINGS		
SECURED (Refer Note 4.1)		
Loans & Advances from Related parties * *refers to advances / OD from Canara Bank	25,700.63	7,743.02
UNSECURED		
Deposits from Public	10,888.61 36,589.24	9,623.74 17,366.76

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at March 31, 2014	(₹ in Lakhs) As at March 31, 2013
7. OTHER CURRENT LIABILITIES		
Current maturities of Long term debts		
- National Housing Bank	32,782.84	27,086.24
- Term Loans from Banks	24,600.57	19,509.86
Provision for Expenses (Refer Note 7.3)	7,814.96	5,180.13
Unclaimed Deposits (Refer Note 7.2)	1,266.85	1,111.99
Other Liabilities	779.20	697.25
Interest accrued but not due on deposits	0.00	19.59
Unclaimed Dividend	66.23	57.99
	67,310.65	53,663.06
Note:		
Other liability includes :-		
(i) Statutory Liabilities	43.91	50.18
(ii) Others	733.90	647.07

7.1 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.

7.2 As required under Section 205C of the Companies Act, 1956, the Company has transferred ₹ 14.46 lakh (Previous Year ₹ 6 lakh) to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2014.

7.3 Provision for Expenses includes provision made for interest on NHB borrowings of ₹ 51.41 cr (previous year ₹ 37.57 cr), interest on Canara Bank borrowings of ₹ 18.79 cr (previous year ₹ 12.92 cr), interest on Debentures of ₹ 5.12 cr (previous year NIL) and Service Tax liability under Rule 6(3B) of Cenvat Credit Rules, 2004 amounting to ₹ 0.59 cr (previous year NIL).

	As at March 31, 2014	(₹ in Lakhs) As at March 31, 2013
8. SHORT TERM PROVISIONS		
Income Tax	3,093.00	2,000.00
Wealth tax	0.00	0.40
Dividend	1,331.54	819.34
Tax on Dividend	226.30	132.93
Employee Benefits (Refer Note 26)	427.97	374.90
	5,078.81	3,327.58

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Note 9- FIXED ASSETS

(₹ in Lakhs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Buildings*	305.88	0.00	0.00	305.88	165.53	7.02	0.00	172.55	133.33	140.35
Furniture and Fixtures	352.53	163.10	19.82	495.81	139.63	70.07	17.82	191.88	303.93	212.90
Computers	243.40	62.18	15.49	290.09	127.66	57.10	15.23	169.53	120.56	115.74
Office & Electrical Equipments	198.91	94.29	10.68	282.51	72.79	49.82	7.98	114.62	167.89	126.12
Vehicles	74.92	18.14	1.30	91.76	20.06	17.03	1.25	35.84	55.92	54.85
Total	1175.63	337.71	47.30	1466.05	525.67	201.03	42.28	684.42	781.63	649.96
Previous Year	866.03	452.96	143.36	1175.63	541.60	115.91	131.84	525.67	649.96	0.00

* On land jointly held with others.

* land is not bifurcated from building

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

(₹ in Lakhs)

	As at March 31, 2014	As at March 31, 2013
--	---------------------------------	---------------------------------

10. NON CURRENT INVESTMENTS*[At Cost, Non Trade**In Government or Trust Securities]*

12.40% Government of India Securities, 2013	-	100.00
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	1,593.50

Notes:

Face value of investments	1,500.00	1,600.00
---------------------------	-----------------	----------

Investments placed for SLR purpose and would be held to maturity, hence market value not furnished.

11. 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 ₹ (1) Lakh {Previous year ₹ (78) 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 that creates these differences are as follows:

(₹ in Lakhs)

	As at March 31, 2014	As at March 31, 2013
Deferred Tax Assets:		
Provision for Doubtful debts	191.01	259.25
Provision for compensated absence	299.00	261.02
Provision for wage settlement	-	-
Sub-Total (A)	490.01	520.27
Deferred Tax liability:		
Depreciation on Assets	3.52	32.79
Sub-Total (B)	3.52	32.79
Deferred Tax Asset (A-B)	486.49	487.49

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

(₹ in Lakhs)

	As at March 31, 2014	As at March 31, 2013
12. LONG TERM LOANS AND ADVANCES (Refer Note 12.1)		
(i) Secured, Considered Good.		
a) Housing Loans - Individuals/Staff	5,32,838.31	3,78,117.83
b) Housing Loans - Corporate Bodies & Others	1,414.41	1,951.22
c) Non Housing Loans	49,332.11	20,761.45
	5,83,584.84	4,00,830.50
Less: Provision for Non-Performing Assets (refer Note 12.2 & 12.4)	950.31	1,518.28
	5,82,634.52	3,99,312.22
d) Loans against deposits	177.98	46.24
(ii) Unsecured, Considered Good		
a) Staff loans	91.35	53.04
b) Security Deposits	157.62	136.41
	5,83,061.47	3,99,547.90

12.1 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) Government guarantees, bank guarantees, company guarantees or personal Guarantees and/or
- (d) Negative lien and/or
- (e) Undertaking to create a security.

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

(₹ in Lakhs)

Loans	As on 31.03.2014					As on 31.03.2013				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing loans (including instalments due from borrowers)										
- Individuals	532108.38	256.51	690.22	53.13	533108.24	376810.66	504.53	792.02	145.38	378252.59
- Corporate bodies	1772.33	46.43	100.05	0.00	1918.81	2492.60	0.00	0.00	100.05	2592.65
Other Loans	49308.67	32.25	16.86	14.96	49372.74	20752.54	5.40	16.76	1.96	20776.66
Total Loans	583189.38	335.19	807.13	68.09	584399.79	400055.80	509.93	808.78	247.39	401621.90
Provision - Housing loans	-	38.48	428.37	53.13	519.98	-	75.68	563.60	245.43	884.71
Provisions for Other loans	-	11.80	111.91	14.96	138.67	-	0.81	6.49	1.96	9.26
Additional Provision - Individuals	-	284.92	266.85	-	551.77	-	433.44	238.69	-	672.14
- Corporate Bodies	-	-	-	-	-	-	-	-	-	-
Total	-	335.19	807.13	68.09	1210.42	-	509.93	808.78	247.39	1566.11

12.3 The Company has extended the repayment period of all individual and rural housing loans by two years uniformly on 1st November 2013 (Board approval on 15/08/13) subject to restriction of 70 years age or 30 years tenure whichever is earlier, in line with the guidelines issued by NHB vide their Circular NHB (ND)/DRS/Pol.55/2012-13 dated April 16, 2013 and such extension is not treated as renegotiated or rescheduled account for the purpose of income recognition and asset classification norms.

12.4 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, 2014.

Provision of loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹ 658.65 lakh (Previous year ₹ 893.97 lakh) against which the company, by way of prudence and abundant caution has maintained cumulative provision of ₹ 1210.42 lakh (Previous year ₹ 1566.11 lakh).

12.5 As per the directions of NHB vide their letter – NHB (ND)/DRS / Pol No. 45/2011-2012 dated January 19, 2012, the provision for Standard Assets in respect of commercial real estates is required to be at 1.00% and for other Standard Assets is required to be made at 0.40%. Accordingly the Company has made provision for Standard assets as under.

(₹ in Lakhs)		
Particulars	2013-14	2012-13
Standard Assets Outstanding	583189.38	400055.80
Provision required to be made	2519.91	1618.74
Provision made	2600.00	1800.00

(₹ in Lakhs)		
	As at March 31, 2014	As at March 31, 2013

13. CASH AND CASH EQUIVALENTS

Balance with Banks for regular operations	0.11	3.31
Cash on hand	7.11	4.80
Cheques on hand	245.41	413.32
Deposits with Banks	596.50	375.10
Earmarked Balance with Banks	66.23	57.92
	915.35	854.46

14. SHORT TERM LOANS AND ADVANCES

(i) Secured, Considered Good

Current Maturities of Long term Advances

- Housing Loans - Individuals/Staff	269.93	127.98
- Housing Loans - corporate bodies & others	504.39	641.43
- Non Housing Loans	40.63	15.21
	814.95	784.63
Less: Provision for Non Performing Assets	260.11	47.83
	554.85	736.80

(ii) Unsecured, Considered Good

Other Advances	3,799.46	2,742.10
Staff Advances	26.18	18.39
	4,380.48	3,497.28

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**15. CONTINGENT LIABILITIES**

(₹ in Lakhs)

Nature of claims	As of 31.03.2014	As of 31.03.2013	Risk involved
Disputed Income Tax matters under appeal:	927.55	1,345.19	1. The appeals filed by the Company for the Asst. Years from 1994-95 to 1999-2000 were allowed by the 2nd appellate authority in favour of the Company. The departmental appeal(s) on the said orders before the Hon'ble High Court of Karnataka were dismissed/ allowed in favour of the Company, excepting for the Asst. Year 1998-99, which is yet to be heard. 2. The Income Tax Appeals filed by the Department for the Asst. Years 1996-97 and 1997-98 were 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, on the said orders which are yet to be heard. 3. The appeals filed by the Company for the asst. years 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. The said appeals are admitted by the Hon'ble Court and are yet to be heard. A provision to the extent of ₹ 6 cr has been made in the books. The alleged demand for the asst. Year 2006-07 (under appeal) has been recovered by the Department to the extent of ₹ 5.35 cr out of the refund determined to the Company for the Asst. Years 96-97, 97-98 & 99-2000. 4. The 1st Appellate Authority has allowed the Company appeal filed by the Company on the order u/s.271(1)(c) of the Income Tax Act, 1961 in favour of the Company. As such an amount of ₹ 4.18 cr included in the disputed tax as on 31/03/2013 has been deleted. The alleged demand for Asst. Year 2007-08 as per the order u/s.143(3) (under appeal by the Company before Hon'ble High Court of Karnataka), amounting to ₹ 448.13 lakh shown under disputed tax as on 31/03/13 is continued to be shown as such as on 31/03/14. 5. 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. 6. The Company has made a provision of ₹ 908.72 lakh (Previous year ₹ 908.72 lakh) towards the disputed Income Tax matters under appeal(s). The balance disputed tax liability not provided for in the books is to the extent of ₹ 18.83 lakh (₹ 436.47 lakh). The above position of disputed Income Tax matters is subject to the orders on the appeals filed by the Company before the Hon'ble High Court of Karnataka for the Asst. Years 2006-07 & 2007-08 and appeals filed by the Department before the Hon'ble Supreme Court of India for the Asst. Years 1996-97 & 1997-98, which are to be heard.
Claims made by borrowers of the Company before various Consumer Forums.	3.16	12.06	In most of the cases the company is only a formal party. In some cases the borrowers have not performed their part of the contract. There is no liability on the company in these cases and hence no provision has been made.

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

		(₹ in Lakhs)
	As at March 31, 2014	As at March 31, 2013
16. REVENUE FROM OPERATIONS		
(i) INTEREST INCOME		
Housing Loans Individuals	50,871.17	35,636.16
Housing Loan Corporate Bodies & Others	290.18	298.47
Non Housing Loans	4,380.87	1,820.86
Staff Loans	12.62	3.90
Loans against deposits	9.44	2.90
Investments and Deposits	141.08	108.03
	55,705.36	37,870.32
(ii) FEES AND OTHER CHARGES		
	2,069.05	1,378.00
	57,774.41	39,248.32
17. OTHER INCOME		
Profit on sale of fixed assets	0.00	5.64
Bad debts recovered	22.19	10.06
Miscellaneous income	3.77	5.49
	25.96	21.19
18. EMPLOYEE BENEFIT EXPENSES		
Salary and Wages	1,480.10	1208.27
Contribution to Provident Fund and Other Funds	210.64	248.69
Staff Training and Welfare Expenses	99.20	115.92
	1,789.94	1,572.88
19. FINANCE COSTS		
Interest on Deposits	1,667.01	1,507.79
Interest on Borrowings	40,425.50	26,714.30
Other Financial Charges	184.21	78.98
	42,276.72	28,301.07

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

		(₹ in Lakhs)
	As at	As at
	March 31, 2014	March 31, 2013
20. DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Fixed Assets	201.03	115.91
	201.03	115.91

21. OTHER EXPENSES

Advertising	105.30	111.79
Bad debts written off	321.73	329.33
Bank Charges	20.65	0.70
Direct Selling Agent's commission	632.76	432.54
Director's sitting Fees	5.30	4.72
Electricity charges	59.56	47.13
General Office Expenses	27.10	48.89
Insurance	6.36	6.67
Miscellaneous Expenses	60.95	35.19
Postage, Telephone and Telex	47.42	40.95
Printing and Stationary	32.06	30.22
Professional Fees	175.91	142.76
Professional Fees – IBS (Refer Note 21.1)	193.04	99.88
Rates and Taxes	50.67	11.27
Rent	408.23	372.45
Repairs & Maintenance	163.15	118.36
Travelling and Conveyance	89.90	76.00
Loss on Sale of Fixed Assets	0.66	0.00
	2,400.75	1,908.84

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

21.1) The Company has entered into lease cum licence agreement with M/s Theme Encore Ltd., for implementation of Integrated Business Suit (IBS) software. The expenditure incurred in this regard amounting to ₹ 193.04 lakhs (Previous Year ₹ 99.88 lakhs towards partial implementation) is charged off to the P & L account under Professional fees – IBS.

21.2) Auditor's remuneration

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Audit Fees (Including Branch Auditors fees)	12.12	11.67
Other Services (Certificates, Tax Audit, etc.,)	3.53	3.78
Out of Pocket Expenses	0.95	2.58
Total	16.60	18.03

21.3) Remuneration to Managing Director/s

(₹ in Lakhs)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Salaries etc.,	12.33	10.91
Provident Fund, Gratuity etc.,	2.25	1.72
Total	14.58	12.63

22. The Company has provided for 100% provision for Non-Performing assets, a sum of ₹ 355.69 Lakhs (Previous Year ₹ 823.81 Lakhs) representing excess provision has been withdrawn & credited to Profit & Loss Account.

23. Earnings per share has been computed as below:

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Profit after tax (₹ in lakhs) (a)	7571.19	5412.09
No. of shares (in lakhs) (b)	204.85	204.85
Basic earnings per share (a/b)	36.96	26.42
Diluted earnings per share (a/b)	36.96	26.42
Nominal value per share	10.00	10.00

24. 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 (%)	13.84%	15.40%
ii)	CRAR – Tier I Capital (%)	13.08%	14.72%
iii)	CRAR – Tier II Capital (%)	0.76%	0.68%

Tier II Capital Constitutes Provision for Standard Assets

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

b) Exposure to Real Estate Sector

(₹ in Lakhs)

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 ₹ upto ₹15 lakhs.	2,16,967.00	1,82,171.00
	- Individual loans above ₹15 lakhs.	3,15,179.00	1,96,081.00
	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:	6,074.73	3,089.93
	iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -		
	a) Residential	Nil	Nil
	b) Commercial Real Estate		
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

(₹ in crore)

	In Days			In Months			In Years					Total
	1 - 14 days	15 - 30 days	30 - 60 days	> 2M = 3M	> 3M = 6M	> 6M = 12M	> 1Y = 3Y	> 3Y = 5Y	> 5y = 7Y	> 7Y = 10Y	> 10Y	
Liabilities												
Borrowings from Banks	0	0	0	21.10	141.10	83.80	711.42	577.76	468.18	258.00	7.38	2268.76
Borrowings from NHB	82.47	0	0	0	95.32	95.32	609.85	543.00	480.80	316.94	100.30	2323.99
Market Borrowings												
Deposits	12.90	3.87	10.00	11.36	27.44	44.66	56.03	2.29	0.20	0	0	168.74
SRNCD	0	0	0	0	0	0	250.00	0	0	0	0	250.00
Assets												
Advances	29.26	0	29.38	31.25	91.18	191.16	783.64	790.10	825.29	1090.37	1982.37	5844.00
Investments	0	0	0.70	0	2.00	3.27	0.00	9.93	0.00	0.00	5.00	20.90

25. Particulars of dividend paid to Non-resident shareholders:

Year in which dividend paid	2013-14	2012-13
No. of Shareholders	190	153
No. of Shares held	1,22,255	78,238
Gross amount of Dividend (Rupees)	4,89,020	2,34,714

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**26. 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 Lakhs)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
1	Present value of Projected Benefit obligation as on 01/04/12 & 01/04/13	633.14	525.98	1289.49	1086.30	40.49	32.62	0.00	0.00	327.88	236.64
2	Service Cost	32.01	28.26	269.59	226.20	3.95	3.16	37.14	47.01	17.35	17.47
3	Interest Cost	49.99	44.30	120.00	92.86	3.24	2.81	0.00	0.00	24.97	19.09
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 (-)	-25.82	56.21	-6.98	10.36	-3.76	1.90	0.00	0.00	52.08	83.94
6	Benefit Paid	16.46	21.61	69.96	126.23	0.00	0.00	0.00	0.00	31.46	29.24
7	Present Value of Projected Benefit Obligations as on 31/03/13 & 31/03/14 (1+2+3+4+5- 6)	672.86	633.14	1602.12	1289.49	43.92	40.49	37.14	47.01	390.83	327.88

II. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014

(₹ in Lakhs)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
1	Service Cost	32.01	28.26	269.59	226.20	3.95	3.16	37.14	47.01	17.36	17.46
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	49.99	44.30	120.00	92.86	3.24	2.81	0.00	0.00	24.97	19.09
4	Actuarial Gains (-) Losses (+)	-25.82	56.46	18.43	33.24	-3.76	1.90	0.00	0.00	52.08	83.94
5	Expected Return on Plan Assets	14.72	15.10	127.82	105.98	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)	41.46	113.92	280.20	246.31	3.44	7.89	37.14	47.01	94.41	120.49

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

III. RECONCILIATION OF OPENING BALANCES AND CLOSING BALANCES OF PLAN ASSETS

(₹ in Lakhs)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
1	Opening Balance	167.33	174.09	1269.16	1086.08	0.00	0.00	0.00	0.00	0.00	0.00
2	Expected Return	14.72	15.10	127.82	105.99	0.00	0.00	0.00	0.00	0.00	0.00
3	Actuarial Gains (+) Losses (-)	0.00	0.00	(25.41)	(22.88)	0.00	0.00	0.00	0.00	0.00	0.00
4	Contribution by employees	0.00	0.00	269.59	226.20	0.00	0.00	0.00	0.00	31.47	29.24
5	Benefits paid	16.46	21.61	69.96	126.22	0.00	0.00	0.00	0.00	31.47	29.24
6	Closing balance (1+2+3+4-5)	165.58	167.33	1571.19	1269.16	0.00	0.00	0.00	0.00	0.00	0.00

IV. Actuarial Assumptions

Sl.No.	Description	As on March 31, 2014	As on March 31, 2013
1	Discount Rate per annum	9.00%	8.00%
2	Rate of Return on Plan Assets	Gratuity 9.25% 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)	10.71%	10.45%
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

27. 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.

28. 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.	Subsidiaries of Canara Bank
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.	

(B) Key Management Personnel:

Sri C. Ilango - Managing Director (From 29/04/11)

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**(C) Transactions with Related Parties:**

(₹ in Lakhs)

Sl.No.	Related Party	Nature of Transaction	2013-14	2012-13
1	Canara Bank	Term Loans & other credit facilities *	239803.91	156886.35
		Interest paid for the year	19810.76	16961.17
		Deposits *	596.50	375.10
		Interest earned for the year	35.93	0.87
		Rent paid for the year	34.85	29.11
		Bank charges for the year	20.65	12.32
		Salary of deputed staff	14.58	12.63
		Salary of Managing Director/s	14.58	12.63
		Other Payments for the year	1.21	5.07
2	Canbank Computer Services Ltd.	Rent Received from Bank	2.07	0.00
		Registrar & Transfer Agency charges for the year	4.62	6.07
		IT Services	0.00	0.00
		Other Services	2.07	4.30

(Amount written off: Nil Amount written back: Nil * Outstanding as of March 31.
All the above are transacted in the normal course of business.)

29. There are no penalties levied on the company by the National Housing Bank.
30. There are no adverse comments on the company made in writing by the National Housing Bank on Regulatory compliance, which requires disclosure.
31. The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2001.
32. Previous year figures have been rearranged / regrouped wherever necessary.

For **K P Rao & Co.,**
Chartered Accountants
Firm Registration No.: 003135S

S.R.Iyer
Chairman

C Ilango
Managing Director

K.R.Vijayendra
Director

Surya Prakash K
Partner
Membership No: 018857

P.B.Santhanakrishnan
Director

S.A.Kadur
Director

T.V.Rao
Director

Place : Bengaluru
Date : April 26, 2014

Atanu Bagchi
Chief Financial Officer

K.S.Sathyaprakash
Company Secretary

BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

(In terms of Part IV of Schedule VI of the Companies Act, 1956)

I Registration details

Registration No.	8699	State Code	8
Balance Sheet date	31-03-2014		

II Capital raised during the year (Amount in ₹ Thousands)

Public Issue	Not Applicable	Rights Issue	Not Applicable
Bonus Issue	Not Applicable	Private Placement	Not Applicable

III Position of mobilisation and deployment of funds (Amount in ₹ Thousands)

Total Liabilities	59116456	Total Assets	59116456
<u>Sources of Funds</u>			
Paid-up Capital	204875	Reserves & Surplus	4318172
Secured Loans	50997781	Unsecured Loans	1687432
<u>Application of Funds</u>			
Net Fixed Assets	78162	Investments	149350
Net Current Assets	56980749	Misc. Expenditure	0
Accumulated Losses	Nil		

IV Performance of the Company (Amount in ₹ Thousands)

Turn Over	5780037	Total Expenditure	4666844
Profit / Loss Before Tax	1066519	Profit / Loss After Tax	757119
Earning per Share in ₹	36.96	Dividend Rate (%)	65

V Generic Names of Three Principal Products / Services of the Company

(As per monetary terms)

Item Code No.	0
(ITC Code)	Nil
Product Description	Housing Finance

As per our Report of even date

For **K P Rao & Co.,**

Chartered Accountants

Firm Registration No: 003135S

Surya Prakash K

Partner

Membership No: 018857

S.R.Iyer

Chairman

P.B.Santhanakrishnan

Director

C Ilango

Managing Director

S.A.Kadur

Director

K.R.Vijayendra

Director

T.V.Rao

Director

Place : Bengaluru**Date : April 26, 2014****Atanu Bagchi**

Chief Financial Officer

K.S.Sathyaprakash

Company Secretary



(CIN: L85110KA1987PLC008699)

Regd. Office: No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bangalore-560004

Email: compsec@canfinhomes.com; Website:www.canfinhomes.com; Phone: 080-26564259/ 26565736; Fax: 080-26565746

Date: July 30, 2014

Dear Shareholder(s),

Sub: Service of Documents through Electronic Mode

The Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the related rules. As per Rule 18(3)(i) of Chapter VII and Rule 11 of Chapter IX, the Company is requesting for a positive consent from its members to receive Notices of General Meetings/ Postal Ballot, Annual Report and other shareholders communication in electronic mode. This will enable the members to receive all such notice(s), documents, information, communications etc., promptly in electronic mode to your email address registered by you with the Company/RTA AND/OR made available to the Company by the Depositories viz., National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL).

For shares held in physical form, members are requested to register their e-mail address with the Registrars & Share Transfer Agents (RTA) viz., M/s Canbank Computer Services Ltd., at "naidu@ccsl.co.in" OR the Company at "compsec@canfinhomes.com" mentioning their name(s) and folio Number. Members holding shares in dematerialised mode are also requested to update the e-mail IDs, as and when there are any changes in their e-mail address, with their Depository Participant (DP).

Members may please note that if they wish to get physical copies of any of the documents mentioned above, the Company will send the same, free of cost, upon receipt of a request.

Thanking you,

Yours sincerely,

Sd/-

K S Sathyaprakash

AGM & Company Secretary

To:

M/s Canbank Computer Services LTD.,

Date:

Unit: Can Fin Homes Ltd.

#218, J P Royale, I Floor

2nd Main, Sampige Road

(Near 14th Cross), Malleswaram

Bangalore - 560 003

Dear Sirs,

Sub: Service of Documents through Electronic Mode.

I/We submit to you as under:

- 1) I/we hereby give my/our CONSENT to the Company to use my/our registered email ID in my/our demat account with the Depository Participant for serving all notices, information, reports, documents etc. under the Companies Act, 2013. (Please tick mark (✓) appropriately)

DP ID/CLIENT ID: _____ YES ☐ NO ☐

- 2) Kindly use my/our Email id: _____ for serving the documents for

Physical Folio No. _____ YES ☐ NO ☐

Thanking You,

Yours faithfully,

Signature : _____

Name of Sole/First Holder : _____

Nomination Form

[FORM SH-13]

*[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,

Basavanagudi, 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

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

LIST OF BRANCHES / OFFICES IN INDIA

- 1. Ahmedabad**
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
- 2. Bengaluru – Basavanagudi**
No.29/1, 1st Floor, Sir M N Krishna Rao Road,
Basavanagudi, Bengaluru – 560 004
Tel: 080 – 2656 0277
E-mail id: basavanagudi@canfinhomes.com
- 3. Bengaluru – Begur**
No - 28/4, Shanti Priya Layout, Devarachikkanahalli rd,
Behind Govt. High School, Begur, Bengaluru-560 068
Tel : 080 - 25740123
E-mail id : begur@canfinhomes.com
- 4. Bengaluru – Bidadi**
Sri Annapoorneshwari Complex, 1st Floor (above
Canara Bank), BGS Road, Bidadi, Bengaluru-562 109
Tel : 080-27282580
Email id : bidadi@canfinhomes.com
- 5. Bengaluru -Cunningham Road**
No - 19/5, "KAREEM TOWERS", 1 Floor, Cunningham
Road, Bengaluru-560 052
Tel:080-29266430/29262003
Email id:cunninghamroad@canfinhomes.com
- 6. Bengaluru -Devanahalli**
No.19/18/2598/2431/2105 1st Floor, Raja Rao
Complex, Opp, SBI, Tippu Sultan Road Devanahalli,
Bengaluru – 562 110
Ph: 080-27682007
E-mail id: devanahalli@canfinhomes.com
- 7. Bengaluru – Electronic City**
"VIJAY ICON" Sr.No.61/11, Hoskur Gate, Ananthanagar
road Electronic City, Bengaluru – 560 100
Tel: 080-27833633
E-mail id : electroniccity@canfinhomes.com
- 8. Bengaluru -Hesaraghatta road**
No 765, 1st Floor, MEI Layout, 60 feet Road,
Bagalagunte, Hesaraghatta Road, Bengaluru-560 073
Tel:080-28390315
Email id:hesaraghatta@canfinhomes.com
- 9. Bengaluru – HRBR Layout**
No. 2C-707, Ground Floor, 7th Main, 2nd Cross,
1st Block, HRBR Layout, Bengaluru-560 043
Tel :080-2545 0092
E-mail id:hrbr@canfinhomes.com
- 10. Bengaluru - Jayanagar**
"Sajini", #69, Old No.35, Basement, Ground & 1st floor,
12th main Jayanagar, 3rd Block, Bengaluru-560 011
Tel:080-26630776/26630501
Email id:Jayanagar@canfinhomes.com
- 11. Bengaluru – Kanakapura Road**
No.58, 1st Floor, Sri ChannakeshavaSwamy Nilaya 6th
Cross, Raghuvanaahalli, Opp. YDIT Kanakapura
Main Road, Bengaluru – 560 062
Tel : 080-69999326
E-mail id : kanakapura@canfinhomes.com
- 12. Bengaluru -Kengeri**
#931, 1st Floor, 1st Main, 7th Cross, Kengeri Satellite
Town, Bengaluru-560 060
Tel:080-28486098/99
Email id: kengeri@canfinhomes.com
- 13. Bengaluru -Koramangala**
No.586, II Floor, 80 ft. road, Near Police Station,
Opp. Bethany School, 8th Block, Koramangala,
Bengaluru-560 095
Tel:080-25703723/25703722
Email id: koramangala@canfinhomes.com
- 14. Bengaluru – K R Puram**
No- 414, Pooja Complex, Old Madras Road,
K R Puram, Bengaluru-560 036
Tel:080 - 27282580
E-mail id: krpuram@canfinhomes.com
- 15. Bengaluru -Marathahalli**
No 14, Ground Floor "Krishna Towers" Outer Ring Road
Cross (service road), Marathahalli, Bengaluru-560 037
Tel:080-25401332
Email id: marathahalli@canfinhomes.com
- 16. Bengaluru - Nelamangala**
1st Floor, Nandi Complex, K.No.2151, Opp Taluka
Panchayath Office, Subhash Nagar, Nelamangala,
Bengaluru-562 123
Tel:080-27722664
Email ID: nelamangala@canfinhomes.com
- 17. Bengaluru -Sahakarnagar**
116/3, First Floor, G Block 60 Feet Road, Sahakarnagar
Bengaluru-560 092
Tel:080-23636425
Email id: sahakarnagar@canfinhomes.com
- 18. Bengaluru - Sarjapur Road**
#30, Sy.No-41, I Floor, Sarjapur Main Road, Iblur,
Next to HSR Police station, Bengaluru-560 103
Tel : 080 - 25740089
E-mail id: sarjapur@canfinhomes.com
- 19. Bengaluru -Uttarahalli**
#39, Ground Floor, Subramanyapura Main Road
Chikkalasandra, Near Prarthana School
Bengaluru-560 061
Tel:080-26394003/26394009
Email id: uttarahalli@canfinhomes.com
- 20. Bengaluru -Vijayanagar**
No 148/E, I Floor, Siddalingeswara Towers 17th MAIN,
End Of Chord Road Vijayanagar, Bengaluru-560 040
Tel:080-23404965/23359162
Email id: vijayanagar@canfinhomes.com
- 21. Baroda**
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
- 22. Belgaum**
Shop No. 5, Ground Floor, Classic Manor, SomwarPeth
Tilakwadi, Belgaum – 590 006
Tel: 0831 - 2464577
Email id: belgaum@canfinhomes.com
- 23. Bhopal**
Plot No 1, 1st Floor, Zone 2,
M P Nagar, Bhopal-462 011
Tel:0755-2577939/2577935
Email id: bhopal@canfinhomes.com
- 24. Bhubaneswar**
Plot No. SCR - 44, 1st Floor, Kharavela Nagar, Unit 3,
Bhubaneswar – 751 001
Tel : 0674-2393345 / 0674-2393061
Email id: bhubaneswar@canfinhomes.com
- 25. Calicut**
18/1145 D, 1st Floor K T Commercial Complex,
Jail Road, Calicut-673 004
Tel:0495-2704883/2704884
Email id:calicut@canfinhomes.com
- 26. Chandigarh**
SCO-87, I Floor Sector 47-D, Chandigarh-160 047
Tel:0172-2632925, 2632097
Email id: chandigarh@canfinhomes.com
- 27. Chengalpattu**
Plot No.28, Ground Floor, Lawyer Krishnaswamy
Street, Vedachalam Nagar, Chengalpattu – 603 001
Tel :044 - 27426466
E-mail id:Chengalpattu@canfinhomes.com
- 28. Chennai-Ambattur**
#27, Red Hills Road, Ambattur, Chennai-600 017,
Tel:044-26585809
Email id: ambattur@canfinhomes.com
- 29. Chennai-Anna Salai**
NO.770/A, Spencer Tower Annexe
Anna Salai, Chennai-600 002
Tel:044-28497026/28496318
Fax:28497027
Email id:chennai@canfinhomes.com
- 30. Chennai-Perungudi**
Ground Floor, Grihalayalaganayaki, 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
- 31. Chennai-Porur**
44/2, Somasundaram avenue Sakthi Nagar Main Road,
Porur, Chennai-600 116
Tel:044-22520032
Email id: porur@canfinhomes.com
- 32. Chennai-Red Hills**
No.7, Madhavaram High Road, (Off GNT Road),
Red Hills, Chennai-600 052.
E-mail : redhills@canfinhomes.com
- 33. Chennai-Tambaram**
No.52, 1st floor, Raj kamal complex, Gandhi Road,
Tambaram West, Chennai-600045
Tel:044-29260600/29260640
Email id: tambaram@canfinhomes.com
- 34. Cochin**
39/3728, VishnuPriya, Manikkiri, M G Road, Pallimukku,
Ernakulam, Cochin-682 016
Tel:0484-2356855/2356826
Email id: cochin@canfinhomes.com
- 35. Coimbatore**
439, Lawrence Complex, Cross Cut Road,
Gandhipuram, Coimbatore-641 012
Tel:0422-2235977/2230163
Email id: coimbatore@canfinhomes.com
- 36. Coimbatore-P N Palyam**
City Palace, 1st Floor, Railway Feeder Road,
Near LMW, P N Palyam Coimbatore-641 020
Tel:0422-2693235
Email id: pn.palyam@canfinhomes.com
- 37. Davangere**
D.No.633, I Floor, K B Extension, Opp to Bellary
Siddamma Park, Trishul Talkies Road,
Davangere - 577 002
Tel:0819-2270345/2235006
Email id: davangere@canfinhomes.com
- 38. Dehradun**
38, Arhat Bazar, Shaharapur Chowk,
Dehradun-248001
Tel:0135 - 2520242
Email id: dehradun@canfinhomes.com
- 39. Dharuhera**
1st Floor , Opp. Municipal Office, Sohna Road,
Dharuhera - 123 106 Haryana
Tel - 01274 - 242381
E-mail id: dharuhera@canfinhomes.com
- 40. Dindigul**
#91, Sona Towers, Shop no. 21-23,
Palani Road, Dindigul – 624 001
Tel: 0451 – 2433272
E-mail: dindigul@canfinhomes.com
- 41. Erode**
#64/5, GRDI Complex, Second Floor,
Perundurai Road , Erode – 638011
Tel : 0424 – 2255563
Email : erode@canfinhomes.com
- 42. Goa**
307&308, III Floor, Kamat Towers
Patto, Panjim, Goa-403 001
Tel:0832-2438517, 2438518
Email id: goa@canfinhomes.com
- 43. Guntur**
4-1-1, 1st floor, Gayatri Plaza, Main Road,
Korutipadu, Guntur-522 007
Tel:0863-2333064
Email id: guntur@canfinhomes.com
- 44. Gwalior**
1st Floor, Business Centre, Plot.No.31, Near Income
Tax City centre, Gwalior – 474 009
Tel: 0751-2233865
Email id: gwalior@canfinhomes.com
- 45. Hosur**
Shree Plaza, 5th Main Road, Shanti Nagar(W),
Denkanikota Main Road, Hosur-635 109
Tel:04344-220001/220040
Email id: hosur@canfinhomes.com
- 46. Hubli**
Ground Floor, Eureka Junction, Giriraj Annexe, Circuit
House Road, Hubli-580 029
Tel:0836-2256390, 2256464
Email id: hubli@canfinhomes.com
- 47. Hyderabad-Gachibowli**
D.No.2-52/88, 2nd Floor, SaiTeja Enclave, Indira Nagar,
Gachibowli, Hyderabad – 500 032
Tel:040-23000030
Email id: gachi.bowli@canfinhomes.com
- 48. Hyderabad - Kompally**
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
- 49. Hyderabad-Nampally**
Doyen Trade House, 5-9-100 Public Garden Road,
Hyderabad-500 001
Tel:040-23233385/23231626
Fax:040-23242166
Email id: hyderabad@canfinhomes.com
- 50. Hyderabad – Ramachandrapuram**
Plot No. 28 Brahmarembika Colony, Beeramguda,
Ramachandrapuram, Hyderabad – 502 032
Tel:08455 – 280777
E-mail id: ramachandrapuram@canfinhomes.com
- 51. Hyderabad-Kukatpally**
Unit No-201, VijayaSai Towers, Opp: BJP Office,
Kukatpally Main Road, Hyderabad - 500 072
Tel :040 – 23053459/23055459
Email id: kukatpally@canfinhomes.com
- 52. Hyderabad – LB Nagar**
#3-11-413/2, Shiva Ganga Colony, LB Nagar,
Hyderabad – 500 074
Tel: 040 - 49501072
Email id: lb Nagar@canfinhomes.com

53. Hyderabad-Tarnaka

12-13-416/1, 2nd Floor, Street No- 1, Tarnaka, Secunderabad-500 017
Tel:040-27005553
Email id :taranaka@canfinhomes.com

54. Indore

SakarBhawan, 1st Floor, 21/4, RatlamKothi, DhakkanwalaKuan Main Road,Indore – 452 001
Tel : 0731 -2521194/95
Email id: indore@canfinhomes.com

55. Jaipur

Office No.S-14 to S-21,2ndFloor, GeejgarhTowers, HawaSadak, Jaipur
Tel:0141-9211644/2211645
Email : jaipur@canfinhomes.com

56. Jodhpur

No 301, III floor, Front side, Sabu Tower, 2nd Chopasani Road, Jodhpur, Rajasthan.
Tel:0291-2640128
Email-id: jodhpur@canfinhomes.com

57. Kakinada

C/o Krishna Rao, Popular auto mobiles, 21-1-3,Jawahar street,1st Floor, Kakinada-533 001
Tel:0884-9377898
Email id:Kakinada@canfinhomes.com

58. Karur

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

59. Kota

1-C-18, SFS, Front Side, First Floor, SheelaChoudhary Road, Talwandi, Kota-324 005.
Tel:0744-2426600
Email id: kota@canfinhomes.com

60. Lucknow

#3,Shahnajaf Road, 1st Floor, SPEED BUILDING, HeazratGanj, Lucknow-226 001
Tel : 0522-4065123/2230331
Email id: lucknow@canfinhomes.com

61. Madurai

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

62. Mandya

No.1689, 1st Floor, 100 Feet Road (Double Road), Vidyanagar, Mandya – 571 401
Tel: 0823 – 2222454
E-mail id: mandya@canfinhomes.com

63. Mangalore

Ground Floor, Canara Bank Building, Balmatta Road, Mangalore-575 001
Tel:0824-2440193/2442593
Email id: mangalore@canfinhomes.com

64. Meerut

#5,Pinnacle Tower First Floor, VaishaliCorner,Garh Road Meerut-250 002
Tel:0121-2779985
Email id: meerut@canfinhomes.com

65. Mumbai-Borivali

No.101-102,1ST Floor, MahavideAdjacent to Municipal Garden, Chandavarkar Road, BORIVALI WEST, Mumbai-400 092
Tel:022-28994369/28925385/28918218
Fax:28908545
Email id: mumbai@canfinhomes.com

66. Mumbai-Yashi

"GIRIRAJ", I Floor,SS-4/210 & 212 (OppMeghraj Multiplex), Sector-2, Vashi, Navi Mumbai-400 703
Tel:022-27820168/27820169
Email id: navimumbai@canfinhomes.com

67. Mysore

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

68. Namakkal

No.387/1, Aarthi Complex, 1st Floor, Salem Road, Namakkal – 637001
Tel: 04286-274252
Email Id: namakkal@canfinhomes.com

69. NCR-Faridabad

59-60, I Floor, Neelam Bata Road, NIT, Opp. RG Stone Hospital, Faridabad - 121001
Tel : 0129 - 2436596/0129 – 2436527
Email id : faridabad@canfinhomes.com

70. NCR - Greater Noida

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

71. NCR-Gurgaon

SCO No. 34 & 35, I Floor, Sector 10-A, (Above Canara BANK) Gurgaon-122 002
Tel:0124-2370760
Email id: gurgaon@canfinhomes.com

72. NCR-New Delhi

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

73. NCR-Noida

Plot No. C-3, 1st Floor (Above Canara Bank) Sector – 1, Noida – 201 301
Tel : 0120-2970164 / 65 / 67
Email id: noida@canfinhomes.com

74. NCR-New Delhi-Pitampura

No 8,First Floor, Vaishali Enclave Pitampura, New Delhi-110 034
Tel:011-27315619
Email id: pitampura@canfinhomes.com

75. Nellore

D No. 15-276, 1st floor, Above Syndicate Bank, Brundavanam, Nellore – 524 001
Tel: 0861 – 2334781
E-mail id : nellore@canfinhomes.com

76. Ongole

D No. 7-331(4), 1st floor, Above State Bank of Mysore, Mangamooru Donka, Ongole – 523 002
Email id : ongole@canfinhomes.com

77. Patna

"Deep House", 2nd Floor, Nala Road (Near Shiva Mandir) Patna – 800 004
Tel: 0612-2721046,2721047
Email id: patna@canfinhomes.com

78. Pondicherry

490, I floor, M G Road Near Chinnakady, Pondicherry-605 001
Tel:0413-2338447/2222118
Email id: pondicherry@canfinhomes.com

79. Pune

No-101, 1st Floor, Uma Apartments, CTS 2027, Near P.S. College, Tilak Road, SadashivPeth, Pune – 411 030.
Tel:24321030
Fax:25538531
Email id: pune@canfinhomes.com

80. Raipur

Sai Towers Building, I floor, Besides Azad Chowk Police Station, Amapara,G E Road , Raipur-492 001
Tel:0771-2108900/4097077
Email id: raipur@canfinhomes.com

81. Rohtak

1st Floor, Anand Plaza, Near Chottu Ram Chowk, Rohtak – 124 001
Tel: 01262-257852
E-mail: rohtak@canfinhomes.com

82. Salem

#1,Johnson pet Road, Hastampatty, Salem-636 007
Tel:0427-2420017
Email id: salem@canfinhomes.com

83. Sonepat

SCO-3, First Floor, Main Market, Sector-14, Sonepat – 131 001
Tel: 0130-2235101
E-mail: sonepat@canfinhomes.com

84. Sriperumbudur

No.122 -123, I Floor, XVB Building, Gandhi Road, Sriperumbudur – 602 105
Tel :044 - 27162188
E-mail id: sriperumbudur@canfinhomes.com

85. Tiruchengode

No.86/17, Royal Towers, Sankari Main Road, Seetarampalayam (post), Opp Pullikara Mill, Tiruchengode 637 209
Tel: 04288 - 255057
Email : tiruchengode@canfinhomes.com

86. Thiruvallur

#52, I Floor, TNHB, Kakalur Main Road, Thiruvallur – 602 001
Tel : 044 – 27666161
E-mail : Thiruvallur@canfinhomes.com

87. Tirupati

D./No.19-8-169,SBI Colony,Near Vijaya Bharathi TVS Shoe Room, Tirupati – 517 501
Tel : 0877-2242692
Email ID :tirupati@canfinhomes.com

88. Tirunelveli

Thiripura Arcade, Illrd floor, No. 75–A, Trivandrum High Road, Palayamkottai, Tirunelveli – 627 002
Tel: 0462-2578567
E-mail : tirunelveli@canfinhomes.com

89. Trichur

1ST Floor, Marva Arcade, Machingal Lane, M G Road, Trichur-680 001
Tel:0487-2332421/2331952
Email id: trichur@canfinhomes.com

90. Trichy

B-11,2nd floor, star Towers Thillai Nagar Trichy-620018
Tel : 0431-2744100, 0431-2744200
Email id: trichy@canfinhomes.com

91. Trivandrum

No.28/2452, Ground Floor, M G Road Trivandrum-695 001
Tel:0471-2477446/2461446
Email id: trivandrum@canfinhomes.com

92. Tumkur

I Floor, Sri Seetharama Temple Bldg. Someshwarapura Main Road, Tumkur-572 102
Tel:0816-2251514
Email id: tumkur@canfinhomes.com

93. Vellore

#99D, Vellore Road, Katpadi, Vellore – 632 009
Tel: 0416-2242013
E-mail: vellore@canfinhomes.com

94. Udupi

"ShriMalshi" 1st Floor , Court Back Road, Udupi – 576 101
Tel :0820 – 2520644
E-mail id: udupi@canfinhomes.com

95. Udaipur

No-101, First Floor, Plot No-643, Subhash Villa Hiranmagri Sec 13, Udaipur- 313001.
Tel: 0294-22485770
Email: Udaipur@canfinhomes.com

96. Vijayawada

1st Floor, No.40-7-4, Donka Road Mogalrajpuram, Vijayawada-520 010
Tel:0866-2474781/2481731
Email id: vijayawada@canfinhomes.com

97. Visakhapatnam

Ground Floor, DN: 48-8-4 Behind Titan Showroom Chaitanya College Lane Dwarakanagar Visakhapatnam-530016
Phone: 0891-2746736, 2591167
Email: visakhapatnam@canfinhomes.com

98. Virudhunagar

Door No.7/3B(First Floor), APV Complex, Pullukaoorani Road, Virudhunagar 626 001
Tel: 04562-246566
Email : virudhunagar@canfinhomes.com

99. Visakhapatnam Steel Plant

D.No.31- 27 -56/7, 1st Floor, Opp. Annapurna theatre, Kurmannapalem, Visakhapatnam – 530046.
Tel.No : 0891 -2747599
Email id: vizagsteelplant@canfinhomes.com

100. Warangal

Kandakarla's Gateway,H.No.15-11-503 & 504,KU Road, Nainnagar, Hanamkonda, Warangal-506001
Tel : 0870-2442166
Email ID : warangal@canfinhomes.com

NOTES

[illegible]

EVENTS



Handing over of dividend cheque of Rs. 3.47 Cr. for the financial year 2012-13 to Shri. R.K.Dubey, Chairman & Managing Director, Canara Bank on 07/09/13 by Shri.C.Ilango, Managing Director, Can Fin Homes Ltd. Also present – Shri. N. Selvarajan, GM, FM&S Wing, HO, Canara Bank, Shri.Mr.N. Sivashankaran, DGM, FM & S Wing, HO, Canara Bank, and Shri. K.S.Sathyaprakash, Asst. General Manager and Company Secretary, Can Fin Homes Ltd.



Board of Directors and Staff members at the 26th Annual General Meeting held at Bengaluru on 07/08/13



Inauguration of the renovated branch premises at Koramangala, Bengaluru on 23/10/13 by Shri .V.S.Krishna Kumar, Executive Director, Canara Bank.



An inside view of the Rohtak branch premises on the inauguration day (26/11/13)



On the occasion of Shifting of NCR – Faridabad branch to new spacious premises on 11/02/14



As part of Corporate Social Responsibility (CSR) activity, chairs & desks were distributed to Govt. Higher Primary School (Boys), Santnagar, New Delhi on 22/03/14



Can Fin Homes Ltd
(Sponsor: **CANARA BANK**)

Regd. Office: No. 29/1, Sir. M N Krishna Rao Road, Lalbagh West, Basavanagudi, Bangalore – 560 004
Email: development@canfinhomes.com www.canfinhomes.com