**CAN FIN HOMES LTD**
Registered Office
No. 29/1, 1st Floor, Sir M N Krishna Rao Road
Near Lalbagh West Gate, Basavanagudi
Bengaluru – 560 004
Tel: 080-48536192; Fax: 26565746
e-mail: compsec@canfinhomes.com
Web: www.canfinhomes.com
CIN – L85110KA1987PLC008699

CFHRO SE CS LODR 148/2022
August 11, 2022

ONLINE SUBMISSION

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

Dear Sirs,

**Sub: Annual Report FY 2021-22 and Notice convening the 35th Annual General Meeting (AGM) of the Company**
Ref: Our letter CFHRO SE CS LODR 143/2022 dated August 04, 2022

Further to our above referred letter, wherein the Company had informed that the AGM of the Company is scheduled to be held on Wednesday, September 07, 2022 at 11:00 a.m., we are submitting herewith the following documents for the financial year ended 2021-22, which has been circulated to the shareholders through electronic mode:

i) Notice of 35th Annual General Meeting (duly covering the instructions for remote e-Voting and e-voting during the meeting through Video Conference)
ii) Annual Report including Business Responsibility & Sustainability Report (BRSR)

The aforesaid documents are also available on the website of the Company, i.e., www.canfinhomes.com

The schedule of events is set out below:

| Event | Particulars |
|---|---|
| **Time and date of AGM** | 11:00 A.M. IST, Wednesday, September 07, 2022 |
| **Mode of participation** | Video conference (VC) |
| **Cut-off date for e-Voting** | Thursday, September 01, 2022 |
| **e-Voting start time and date** | 09:00 A.M. IST, Saturday, September 03, 2022 |
| **e-Voting end time and date** | 05:00 P.M. IST, Tuesday, September 06, 2022 |
| **e-Voting website of NSDL** | https://www.evoting.nsdl.com/ |

This submission is pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. SEBI/HO/CFD/ CMD2/ CIR/P/2022/62 dated May 13, 2022.

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

Thanking you,

Yours faithfully,
For Can Fin Homes Ltd.

Veena G Kamath
DGM & Company Secretary

Encl: As above.

CAN FIN HOMES LTD. R.O. BASAVANAGUDI BANGALORE-04

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

# Fulfilling India's home aspirations

with Vision, Passion and Commitment

Can Fin Homes Ltd
Annual Report **2021-22**

# Contents


02-43 **Corporate Overview**
02 Corporate Information
04 Fulfilling housing dreams of millions
06 Expanding countrywide footprint
08 Reiteration of Fundamentals
10 Delivering value across six capitals
12 Accelerating growth through effective measures
14 Our Six-year performance in numbers
16 Managing Director's perspective
18 Events
26 Harnessing power of digitisation to enhance value
28 Fulfilment of Social Responsibility
30 Promoting sustainable and inclusive development
34 Operational & Financial Highlights
36 Board of Directors
37 Profile of Board of Directors
41 Key Managerial Personnel
42 Profile of Key Managerial Personnel
43 Core Team

44-160 **Statutory Reports**
44 Management Discussion and Analysis
53 Report of Directors
86 Business Responsibility & Sustainability Report
121 Report of Directors on Corporate Governance
150 General Information to Shareholder

161-247 **Financial Statements**
161 Independent Auditor's Report
172 Balance Sheet
173 Statement of Profit and Loss
174 Statement of Changes in Equity
176 Cash Flow Statement
178 Notes forming part of Financial Statements

248 Related Party Transactions Policy
255 List of Branches, AHLCs & SOs

**Notice of the 35th Annual General Meeting**


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

A record year in our history

**Loan Book crossed**

**₹26,700 Cr**

**Disbursements**

**₹8,279 Cr**

**New Approvals**

**₹8,896 Cr**

Focusing on our four strategic pillars - Growth, Asset Quality, Profitability and Liquidity, we continue to follow prudent lending practices. We look ahead with renewed hope and enthusiasm as we maintain our credo of friendship finance and ensure to be a reliable housing finance partner for people from all sections of society

**- Shri Girish Kousgi**
Managing Director & CEO

**As the nation gears up to celebrate 75 fruitful and challenging years of independence, it is a time for reflection, a quick press of the rewind button to ponder and visualize a wonderful kaleidoscope of India's glorious achievements after attaining independence at the stroke of the midnight hour on August 15th, 1947. The gamut covers a very definitive constitution framed by the people, of the people and for the people, making India one of the largest democracies, increase in agriculture powered by the green revolution, increase in milk production, polio eradication and enhanced healthcare, ayurveda, biotechnology, giant steel plants, huge sturdy dams to harness water power, a powerful defence system manned by one of the world's most disciplined and dedicated armed forces, world class education, women empowerment, becoming a IT power and the 3rd largest start up orientation.**

**Thus, India is fast catching up with the developed nations and is considered to be one of the fastest growing economies. At this juncture, it is necessary to introspect as to what each individual and institution should do for the country. There are still many hurdles to overcome, the most potent of them being, bridging the gap between the 'haves' and the 'have-nots'.**

**A roof over every head, 'housing for all' is still the attainable goal, pursued by the government. As a housing finance Company that has navigated a journey of thirty four years, Can Fin remains unwavering in its vision, mission and objective of increasing housing stock in the country and helping thousands of home aspirants to acquire their dream homes.**

With its evergreen motto of Friendship Finance, Can Fin is all set to blaze a new trail, abiding by the true spirit of 'Azadi ka Amrit Mahotsav'.

आज़ादी का अमृत महोत्सव

# Corporate Information

## Can Fin Homes Limited

### Registered Office

#29/1, 1st Floor, Sir M N Krishna Rao Road
Near Lalbagh West Gate, Basavanagudi, Bengaluru 560004
Tel : 080-48536192; Fax : 080-26565746
Email : investor.relationship@canfinhomes.com
Web: www.canfinhomes.com

### Joint Statutory Central Auditors

M/s. B Srinivasa Rao & Co.,
No. 19 & 19/1, 5th floor, BRV layout, Kumar Park West,
Behind Nandini Hotel,
Bengaluru - 560020

M/s B K Ramadhyani & Co. LLP
4B Chitrapur Bhavan, 68 8th Main, Malleswaram
Bengaluru - 560055

### Secretarial Auditors

M/s S Kedarnath & Associates
004 Ojus Apartments, 4th Main Road, Malleswaram,
Bengaluru - 560003

### Principal Banker

Canara Bank

### Other Bankers

• State Bank of India • HDFC Bank Ltd. • Federal Bank
• Bank of India • Indian Bank • Union Bank of India • IDBI Bank
• RBL Bank • Punjab National Bank

## Registrar & Transfer Agent

### Canbank Computer Services Limited

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

## Debenture Trustee

### SBICAP Trustee Company Limited

Mistry Bhavan, 4th Floor, 122, Dinshaw Wachha Road
Churchgate, Mumbai 400020
Tel : 022-43025555, Fax : 022-43025500
Email : corporate@sbicaptrustee.com
Website : www.sbicaptrustee.com
CIN: U65991MH2005PLC158386

## Corporate Identity Number

L85110KA1987PLC008699

## Senior Management Personnel

### Key Managerial Personnel

Smt Shamila M
Smt Veena G Kamath
Shri Prashanth Joishy

### Registered Office

Shri Ajay Kumar G Shettar, Head – Legal
Shri B M Sudhakar, Head – Credit
Shri Prashanth Shenoy, Head – Product & Strategy
Shri Prakash Shanbhogue, Head – Collections
Shri Sikhin Tanu Shaw, Head – IT
Shri Arun Kumar V, Head – CPC
Shri Ajay Kumar Singh, Head – RBIA
Shri Uthaya Kumar, Head – CRO

### Cluster Heads

Shri Murugan R
Shri Arun Balamani
Shri P S Mallya
Shri Sundar Raman
Shri K Srinivas
Shri Vinayak Rao
Shri S P Srivastava
Shri Badri Srinivas
Shri Abhijit Banerjee
Shri Manoj Mathur
Shri Manoj K Badal
Shri Umesh Pai
Shri Alagiri K

## Listing of Equity Shares

### National Stock Exchange of India Ltd.

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

### BSE Limited

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

## Trustees for Public Deposits

### IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R. kamani marg, ballard estate
Mumbai - 400001
Tel: 022-40807000
Email: itsl@idbitrustee.com
Website:www.idbitrustee.com
CIN:U65991MH2001GOI131154

## Legal Entity Identifier(LEI) Number

335800EJ9Y3XDP5ZDH81

## Depository for equity shares

### National Securities Depository Limited

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

### Central Depository Services (India) Limited

Marathon Futurex, A Wing, 25th floor, N M Joshi Marg
Lower Parel (East), Mumbai 400013
Tel : 91 22 2302 3333 Fax : 91 22 2300 2335

## Board of Directors

### Shri L V Prabhakar

(DIN: 08110715)
Chairman (Promoter Non-Executive)

### Shri Girish Kousgi

(DIN: 08524205)
Managing Director & CEO

### Shri Debashish Mukherjee

(DIN: 08193978)
Director (Promoter Non-Executive)

### Shri Naganathan Ganesan

(DIN: 00423686)
Director (Independent Non-Executive)

### Shri Satish Kumar Kalra

(DIN: 01952165)
Director (Independent Non-Executive)

### Smt Shubhalakshmi Aamod Panse

(DIN: 02599310)
Director (Independent Non-Executive)

### Shri Amitabh Chatterjee

(DIN: 09219651)
Dy. Managing Director (Promoter)

### Shri Ajai Kumar

(DIN: 02446976)
Director (Independent Non-Executive)

### Shri Arvind Narayan Yennemadi*

(DIN: 07402047)

Additional Director (Independent Non-Executive)

### Shri Anup Sankar Bhattacharya*

(DIN: 02719232)

Additional Director (Independent Non Executive)

### Dr. Yeluri Vijayanand^

(DIN:00594503)

Director (Independent Non-Executive)

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^Tenure Completed on September 08,2021

*Appointed w.e.f August 04, 2022

## 35th Annual General Meeting

Wednesday, September 07, 2022 at 11:00 AM through Video-Conference
Deemed venue for meeting: Can Fin Homes Limited
Registered Office: No. 29/1, 1st Floor, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004

## Board Committees

### Audit Committee

Shri Naganathan Ganesan - Chairman
Shri Debashish Mukherjee - Member
Smt Shubhalakshmi Panse- Member
Shri Ajai Kumar - Member

### Stakeholders Relationship Committee

Shri Satish Kumar Kalra - Chairman
Shri Girish Kousgi - Member
Shri Naganathan Ganesan - Member
Smt Shubhalakshmi Panse- Member

### Corporate Social Responsibility Committee

Shri L V Prabhakar- Chairman
Shri Girish Kousgi - Member
Shri Naganathan Ganesan - Member
Shri Amitabh Chatterjee - Member
Shri Satish Kumar Kalra - Member

### Nomination Remuneration & HR Committee

Smt Shubhalakshmi Panse - Chairperson
Shri Debashish Mukherjee - Member
Shri Satish Kumar Kalra- Member
Shri Ajai Kumar - Member

### Risk Management Committee

Shri Debashish Mukherjee - Chairman
Shri Girish Kousgi - Member
Shri Amitabh Chatterjee - Member
Smt Shubhalakshmi Panse- Member
Smt Shamila M - Member
Shri H R Narendra - Member
Shri Ajay Kumar G Shettar - Member

### Management Committee

Shri Girish Kousgi - Chairman
Shri Debashish Mukherjee - Member
Smt Shubhalakshmi Panse- Member
Shri Amitabh Chatterjee - Member

### IT Strategy Committee

Shri Ajai Kumar - Chairman
Shri Naganathan Ganesan- Member
Shri Girish Kousgi - Member
Shri Amitabh Chatterjee - Member
Smt Shamila M - Member
Shri B M Sudhakar- Member
Shri Sikhin Tanu Shaw - Member

# Fulfilling housing dreams of millions

For over three decades, we have been on a mission to realise the unifying dream of millions of Indian families of owning a home. As a leading housing finance company promoted by Canara Bank, we understand the hopes and emotions of people and strive to fulfil housing aspirations of low and middle-income population of the country.

**We started our journey in 1987 with the objective of promoting home ownership.** During the course, we have been steadily pursuing our goal of maintaining high asset quality, sustained business growth and profit margins. **Providing affordable financial solutions to help the general public meet their 'own-home' aspirations.**

## Can Fin in snapshot

### Legacy

**Our 35-year-old legacy of fulfilling home aspirations positions us as one of the leading housing finance company in India today.**

**21.36%**
10-year CAGR in revenue

**26.41%**
10-year CAGR in Profit Before Tax

**26.52%**
10-year CAGR in Profit After Tax

### Focus

**Our focus is on having sound business strategies, ethical and transparent governance framework, building a team of passionate people and prudent underwriting**

### Reach

**Headquartered in Bengaluru, we have a pan-India presence with 168 branches, 21 Affordable Housing Loan Centres (AHLCS) & 12 Satellite offices (SOS)**

### Financials

**Our optimal financial management practises enable us to maintain financial stability while funding our expansion plans.**

**2.55%**
Interest Spread

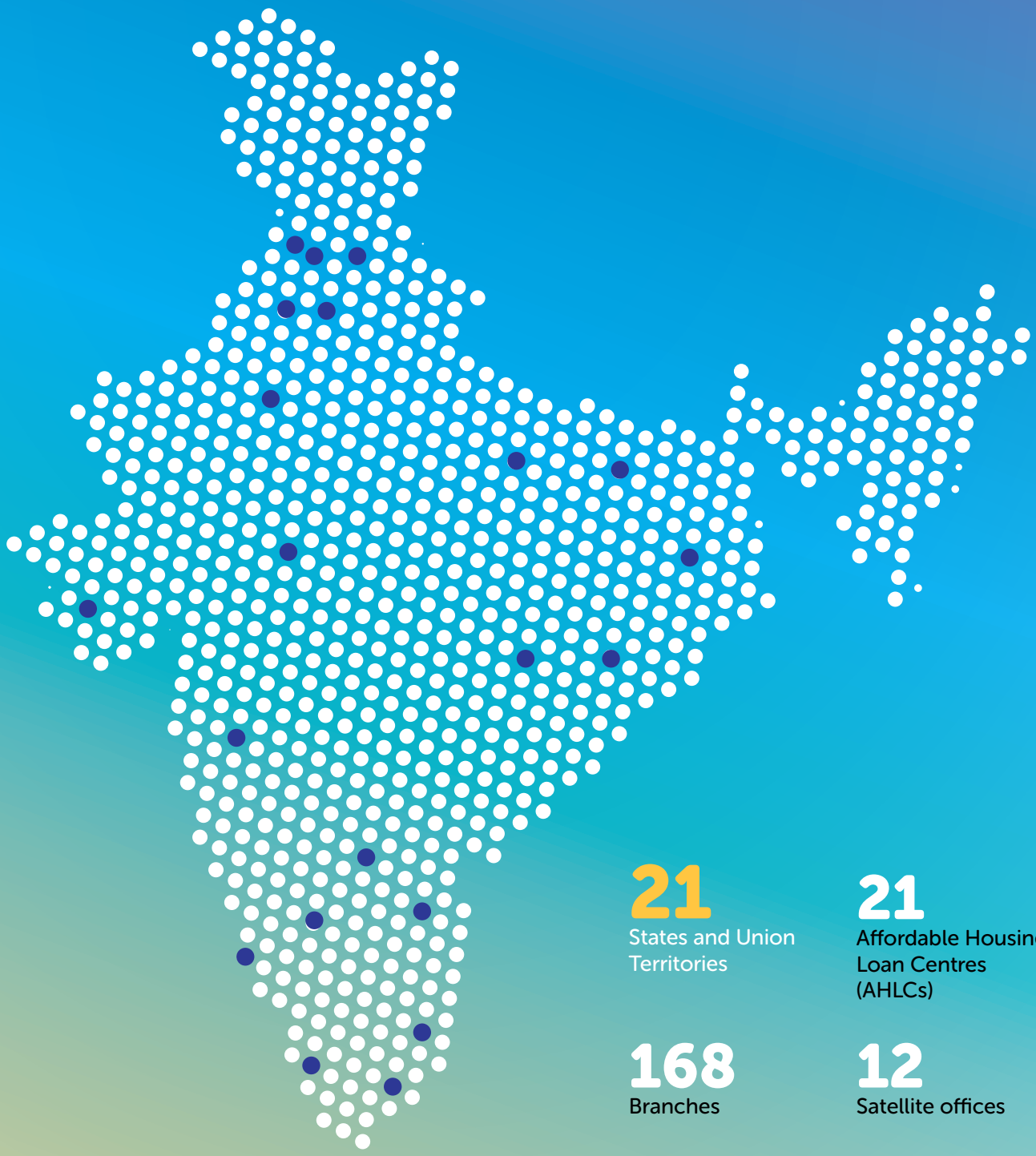
**3.57%**
Net Interest margin

**0.64%**
Gross NPA

**0.30%**
Net NPA

# Expanding countrywide footprint

Our strategic goal is to expand in potential centres across diverse parts of the country.



**21**
States and Union Territories

**21**
Affordable Housing Loan Centres (AHLCs)

**168**
Branches

**12**
Satellite offices

Map not to scale. Only for representation purpose

# Reiteration of Fundamentals

## Strong lineage

Our promoters, Canara Bank, one of the leading PSUs in the country, provide the right guidance and strategic road ahead.

## Industry optimism

The rise in real estate and housing demand, led by progressive government policies continues to drive growth for business.

## Growth in demand in non-metro cities'

We continue to penetrate tier-II and tier-III cities with an increased focus on branch expansion. The government's focus on affordable housing, largely focused in non-metro cities, will further drive our market presence.

## Diverse lending profile

We continue to strengthen our lending profile with loan book comprising a diverse customer base and differentiated loan products. Improved ticket size and growing first-time borrowers not withstanding, our unwavering commitment and undiluted focus on Asset Quality along with relentless collection efforts, has led to one of the lowest NPA level of 0.64% in the industry.

## Robust financials

We continue to expand our lending book, with the loan book crossing ₹ 26,700 Cr in FY22. An impressive Net Interest Margin (NIM) of 3.57% is a result of prudent business practices without compromising on asset quality to generate healthy returns.

# Our strategic priorities

Our strategic priorities are linked to the evolving regulatory environment and the demand that we foresee for the short, medium and long term. We periodically review our priorities to ensure flexibility and agility in our operations.

### Grow and expand our customer base

| | as on March 31, 2012 | as on March 31, 2022 |
|---|---|---|
| Customers | 1,35,000 | 5,60,000 |
| Share of salaried & professionals | 88.15% | 74.55% |
| Average age of borrower | 42 years | 35 years |

### Build a strong capital base and robust balance sheet

| | as on March 31, 2012 | as on March 31, 2022 |
|---|---|---|
| CAR | 17.44% | 23.15% |
| PBT (In Crore) | 60.97 | 635 |
| PAT (In Crore) | 43.76 | 471 |
| Net worth (In Crore) | 347.57 | 3066.62 |

# Delivering value across six capitals

## INPUT

### Financial capital

**₹3,066.62 Cr**
Net worth

**₹26,711 Cr**
Loan book

### Human resource

**909**
Employees

### Infrastructure

**168**
Branches

**21**
Affordable Housing Loan Centres (AHLCs)

**12**
Satellite offices

### Legacy

**34-year**
old Company promoted by Canara bank

### Social capital

**₹10.70 Cr**
CSR expenditure sanctioned

## PRODUCT OFFERINGS

### Products

**Housing loans**

- Individual Housing loan
- Composite Housing loan
- Affordable housing loan - Rural & Urban
- Commercial Housing loan

**Non-housing loans**

- Mortgage loan
- Flexi-LAP
- Site loan
- Loans for commercial property
- Loan against rent receivables
- Personal loans to existing customers
- Top up loan

**Deposits**

- Fixed deposit
- Cumulative deposit

## CORE COMPETENCIES

- Build a strong loan profile with an emphasis on the salaried and professional segment of customers
- Increase the percentage of non-housing and top-up loans in the overall loan book to improve our yield

Our geographic presence in Tier II, Tier III and Tier IV cities allows us to balance the aspirations of both customers and stakeholders by making home loans affordable.

Focus on creating long-term value for stakeholders by exceeding consumer and community expectations.

Maintaining operating and capital discipline should be a priority. We prioritise investments and deploy funds in a structured way.

## OUTPUT

### Financial outcome

**₹1,988.50 Cr**
Revenue

**₹635 Cr**
Profit before tax

**₹682.00 Cr**
Operating profit

**₹471 Cr**
Profit after tax

**₹35.38 Cr**
Earning per share

### Customer

**49,815**
new Customers on-board

**₹8,279 Cr**
Disbursed

**50%**
Reduction in TAT due to digital and automation in processes

### Social capital

**79**
CSR projects funded

**1,06,157**
CSR beneficiaries

### Investor

**₹8,399 Cr**
Market Cap as on 31/03/2022 comparison ₹ 2,788 Cr as on 31/03/2012

# Accelerating growth through effective measures

## Sustained asset quality

Our gross non-performing assets (GNPA) have decreased, while our provision coverage ratio has increased, with no negative impact on the RBI's NPA threshold. Credit cost has also remained at a bare minimum. The increasing PCR is attributable to the ageing of loans. Moderation in slippages, as well as higher resolution and some write-backs, all contributed to the improvement in asset quality. Due to the RBI circular requiring recovery of all past due amounts, upgrades in the NPA pool have been minimal.

**0.64%**
Gross non-performing asset

## Stable profit growth

Our operations are carried out on the bulwark of cost management, profitable yield and sound asset quality, which ensure a stable profit growth.

## Geographic demography and Strategic expansion of network

We have a pan India presence in 201 locations covering 21 states. Our growth plans encompass expansion of our footprint in potential locations.

## Change in borrowing mix

The share of commercial papers (CPs) in our borrowing mix has decreased to 11%. We primarily use CPs for cost leverage, and only to the extent that we have undrawn bank lines.

**11%**
Share of commercial paper in borrowing mix

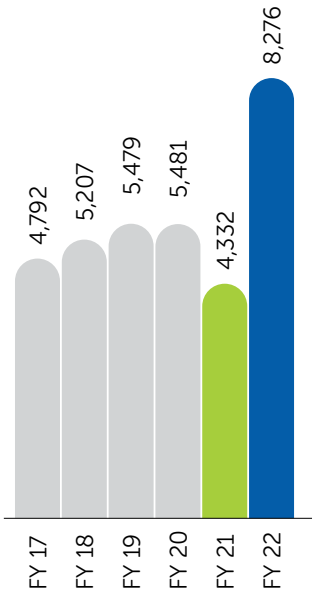


## Increase in stakeholders Wealth

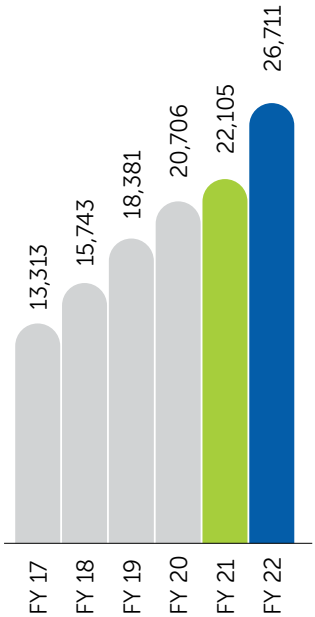
The core purpose of all our initiatives, strategies and business achievement is to ensure maximization of stakeholders wealth.

# Our Six-year performance in numbers

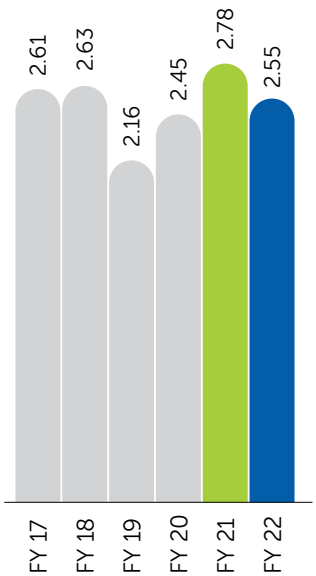
## Disbursements
(₹ in Cr)




## Loan book
(₹ in Cr)

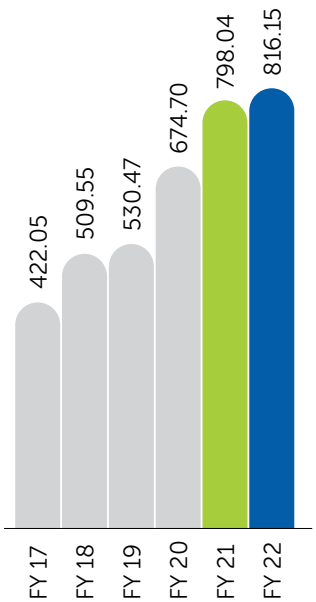



## Interest Spread
(%)

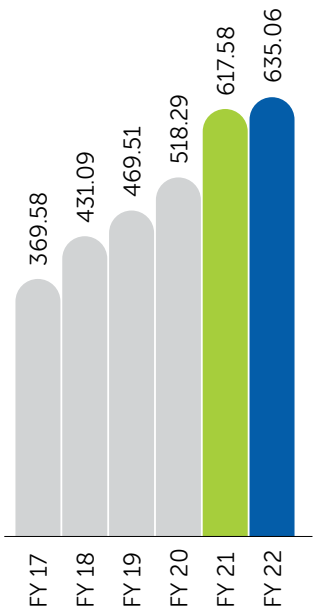



## Net interest margin
(%)

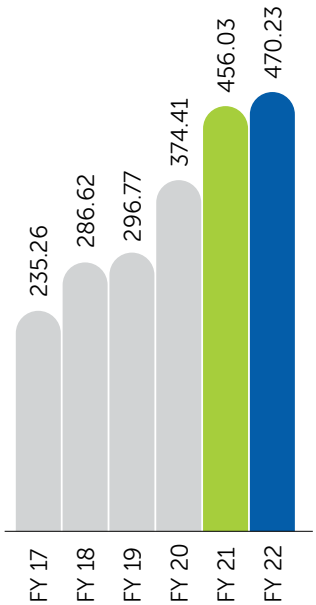
## Net interest income
(₹ in Cr)



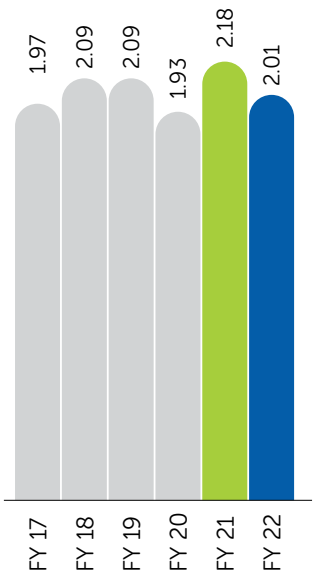

## PBT
(₹ in Cr)



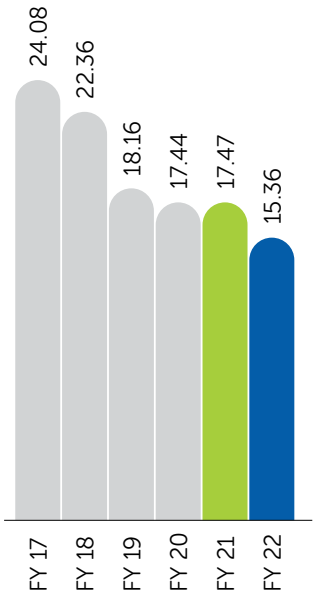
## Net Profit
(₹ in Cr)



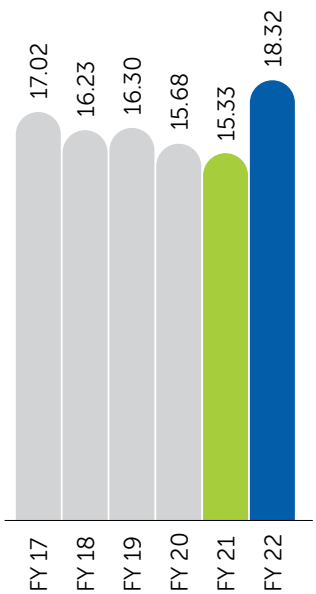

## ROA
(%)



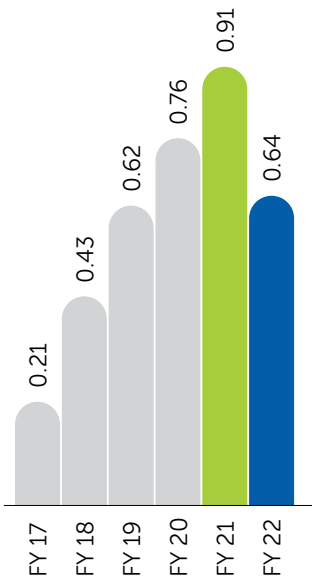

## ROE
(%)



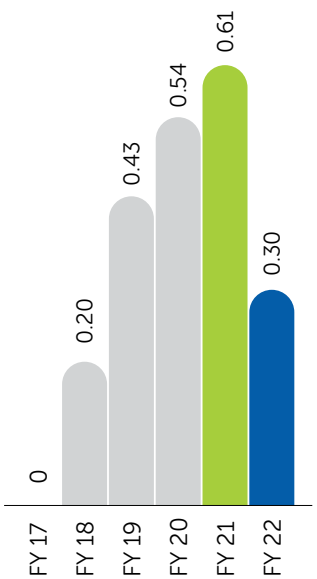

## Cost to income ratio
(%)




## GNPA
(%)




## Net NPA
(%)



# Managing Director's perspective

## Dear Shareholders,

It gives me great pleasure to present you the Annual Report for the fiscal year 2021-22.

The year's challenges led us to reimagine life as we knew it. The pandemic and its subsequent waves significantly impacted the global economy. As the COVID induced challenges seemed to subside, bringing a sense of optimism, geopolitical upheavals rendered a blow to the fragile economic recovery. India felt the ripples of the conflict as did the rest of the world, and is now grappling with the challenges of rising crude and commodity prices that are pushing up the already elevated inflation.

Notwithstanding the challenges, the year has been monumental for the real estate industry as it demonstrated strong recovery. Changing attitude of people towards home ownership and adoption of digital technologies are factors that have helped in the revival of the real estate sector. It is notable that the growth of the real estate market has been led by the residential sector due to the renewed buyer confidence and affordable home loan rates.

## Financial performance

Emerging from the shadows of the Pandemic and a good 4th quarter in FY 2020-21, the Company delivered a good performance in the FY 2021-22 except for a muted first quarter. The highest growth in the illustrious journey of the Company was recorded during the fiscal in the three business parameters – Loan Approvals, Disbursals and Loan Book. This strengthened the balance sheet matrix as the profitably parameters improved, which could be attributed to our prudent operating procedures, cost conscious approach and our unwavering commitment to uphold Asset Quality.

## Future perfect

The future growth prospects for the real estate industry are positive owing to the Governments push to housing industry which has also been reflected in Union Budget 2022-23. In the Budget, the government focused on bringing transparency in the real estate sector while prioritising the affordable housing segment.

**Our performance in the fiscal 2021-22 is a testimony to our resilience and perseverance. While the beginning of the year seemed challenging, we were able to stay resilient and deliver a robust performance quarter on quarter.**

Amid the growing real estate market, the increase in demand for housing has resulted in a significant rise in demand for home loans which is likely to exceed pre-pandemic levels by the end of the current year. Additionally, the loan book of housing finance companies is also expected to expand.

Your Company is navigating all possibilities to capitalise on these market opportunities. Being one of the leading housing finance companies in India, we recognise our role in the industry to help people in realising their home aspirations.

Our performance in the fiscal 2021-22 is a testimony to our resilience and perseverance. While the beginning of the year seemed challenging, we were able to stay resilient and deliver a robust performance quarter on quarter. Towards the end of the year, a further pickup in demand for housing loans with low borrowing rates helped us record a very good financial and operational performance.

The improved NIMs due to higher yields, and robust asset quality helped us achieve strong financial numbers. Our ability to sustain asset quality even in a tough environment has reflected our agile business model.

## Priceless Assets

As always, Can Fin's team of dynamic and dedicated employees have carried forward the performance baton admirably in the fiscal gone by too. They have unflinchingly met the innumerable challenges and overcome them, never stopping pursuit of the Company's goals. They have gone out of the way whenever circumstances warranted. Their firm belief in 'out of the box' thinking has paved the way forward in crucial situations.

## Digital dynamics

To keep up with the changing dynamics of the digital ecosystem, we are making rapid strides towards our digital upgradation. In order to ensure uninterrupted services to our customers, we are leveraging various advanced digital tools and technologies. These allowed us to reach out to a wider customers profile and reduce our turnaround time. For enhancing our digital capabilities, we have set four key digital priorities:

- Providing personalised and seamless services to our customers across the country;
- Creating a digital financial services bouquet in collaboration with some of the nation's leading technological support providers;
- Improve Automation and digitisation of processes to make things simpler, faster and user-friendly;
- robust and secure digital capabilities across platforms to prevent frauds and ensure customer data protection.

## Being a responsible corporate citizen

Our socio-economic development activities are pivotal to our value-creation process, to this end we are contributing to education, healthcare and women empowerment. During the year under review, we invested ₹ 10.70 Cr towards our CSR initiatives, in line with our strategic objectives.

## Outlook

To expand our footprint further, we are targeting large cities and metros along with our earlier strategy of expanding in tier 3 and tier 4 cities. We will keep focusing on our four strategic pillars of Growth, Asset Quality, Profitability and Liquidity and keep following stringent lending practices, in consonance with regulatory guidelines.

We will continue to have a strong team for retention of customers, backed by effective strategy and efficient customer service. There is scope for improvement in terms of achieving higher operating efficiency.

As I conclude, I would like to sincerely thank the National Housing Bank, Reserve Bank of India (RBI), Canara Bank and all of our stakeholders who have stayed by our side at all times. We look ahead with hope and optimism that your Company will flourish in the coming years.

Regards

**Girish Kousgi**
MD & CEO

# Events

## Year @ a glance

34th Annual General Meeting presided by our Chairman Shri L V Prabakar

Inauguration of 201st branch @ Jigani, Bengaluru.

13th Foundation Day Celebration of Canara HSBC Life Insurance Company

Renewal of Can Fin - BAGIC Association

A Warm Welcome to Shri Tapan Singhel, MD & CEO, BAGIC

New Premises, New beginning - Sanction letter to our customer by Shri Ajay Kumar Shettar, DGM @ Doddaballapura

# Events

Visualize, Conceptualize and Deliver

Prakash Shanbhogue, DGM bags the Achiever's Award for Collections

Strategy Meet – Numbers speak

Rewind, Ruminate & Review - Meeting in progress

Intense hard work merits reward
- our CFO Prashanth Joishy

Fruit of one's labour is sweet –
B M Sudhakar - DGM

Achiever's
Appreciation -
Suresh S G,
Chief Manager,
Koramangala

# Events

Lighting a new path – Inauguration of the new RO-Annexe building

Can Fin in the news

Milestones are meant to be celebrated

Cluster Head
P S Mallya dons his singing hat

International Women's Day celebration

'The hand that rocks the cradle rules the world' – Felicitation of our ladies on International Women's Day.

# Events

Can Fin Cricket League
Trophy being unveiled

The Champions!

Passion at work and on the dance floor as well!

"We don't just sing, we are the song"

Talent not restricted to the workplace – Skit in progress

Entertainment is a stress buster

Our Noida branch exhibits the Christmas fervour and bonhomie

Soulful singing, dulcet vocals- DMD

# Harnessing power of digitisation to enhance value

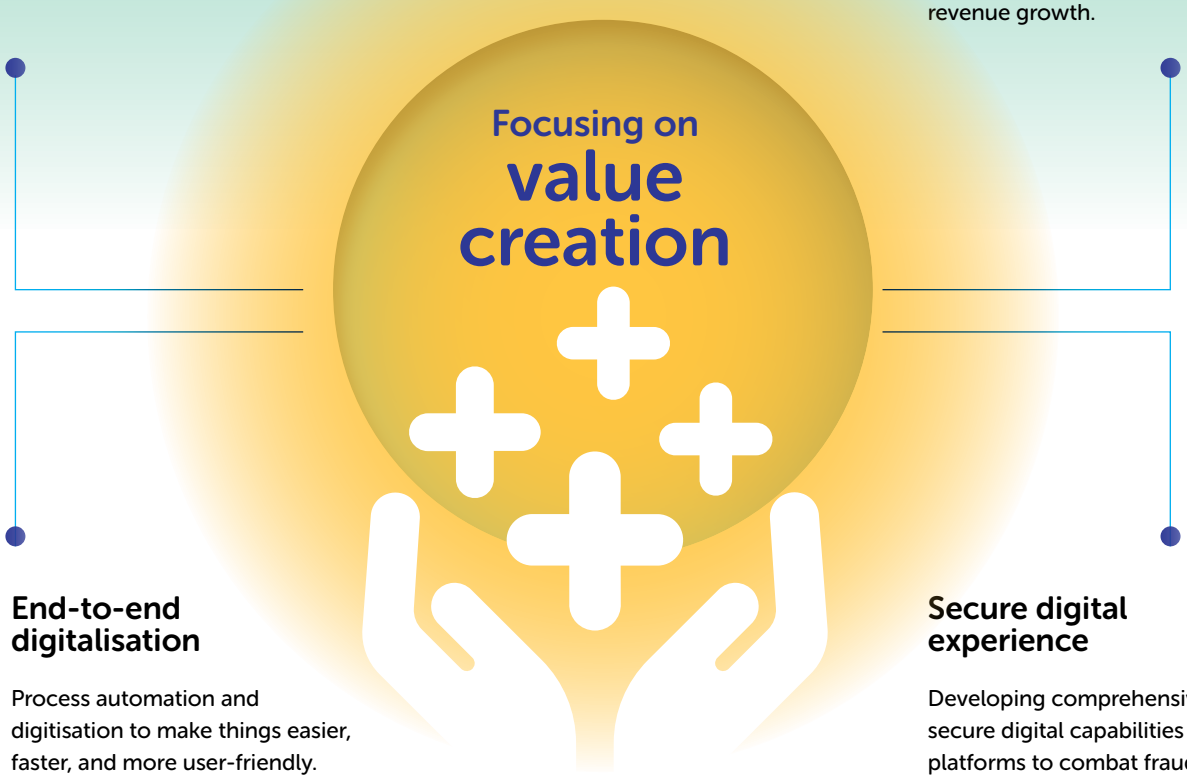
We use a variety of innovative digital tools and technology to ensure that our clients' services were unbroken, especially during difficult times of the Covid-19 pandemic. This allowed us to reach out to a wider range of clients across the country, enhance our efficiency and persevere in the face of adversity.

### Enhancing our reach

Personalised and consistent service to our customers around the country.

### Integrated digital experience

The focus is on developing a bouquet of digital financial services in collaboration with some of the country's top technological support suppliers, allowing for quick revenue growth.




### End-to-end digitalisation

Process automation and digitisation to make things easier, faster, and more user-friendly.

### Secure digital experience

Developing comprehensive and secure digital capabilities across platforms to combat fraud and preserve customer data.

### Catering to new age customers

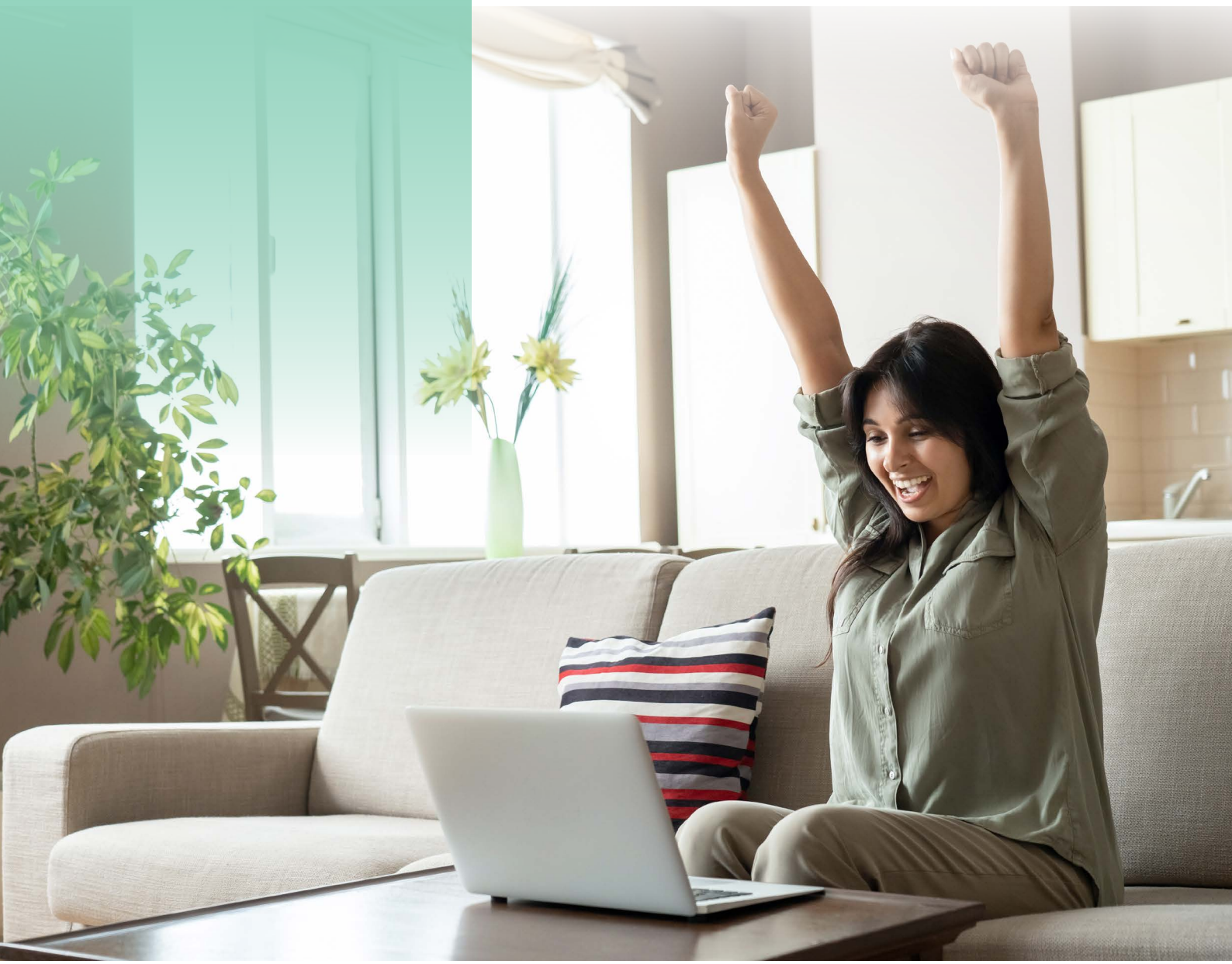
In the days ahead, our digital capabilities are likely to make us more prominent. We plan to use innovative digital tools and technologies to provide personalised services to a wide range of new- age customers. It will also allow us to reach a wider range of clients across the country, making our services more appealing to India's millennial population, who continue to rely on digital platforms for a variety of services.

### Driving efficiency

Our digital endeavours are expected to improve our efficiency, enable smarter work, and facilitate optimal resource allocation. Digital transformations are also predicted to create new chances for strengthening core businesses, lowering costs, and providing superior customer service.

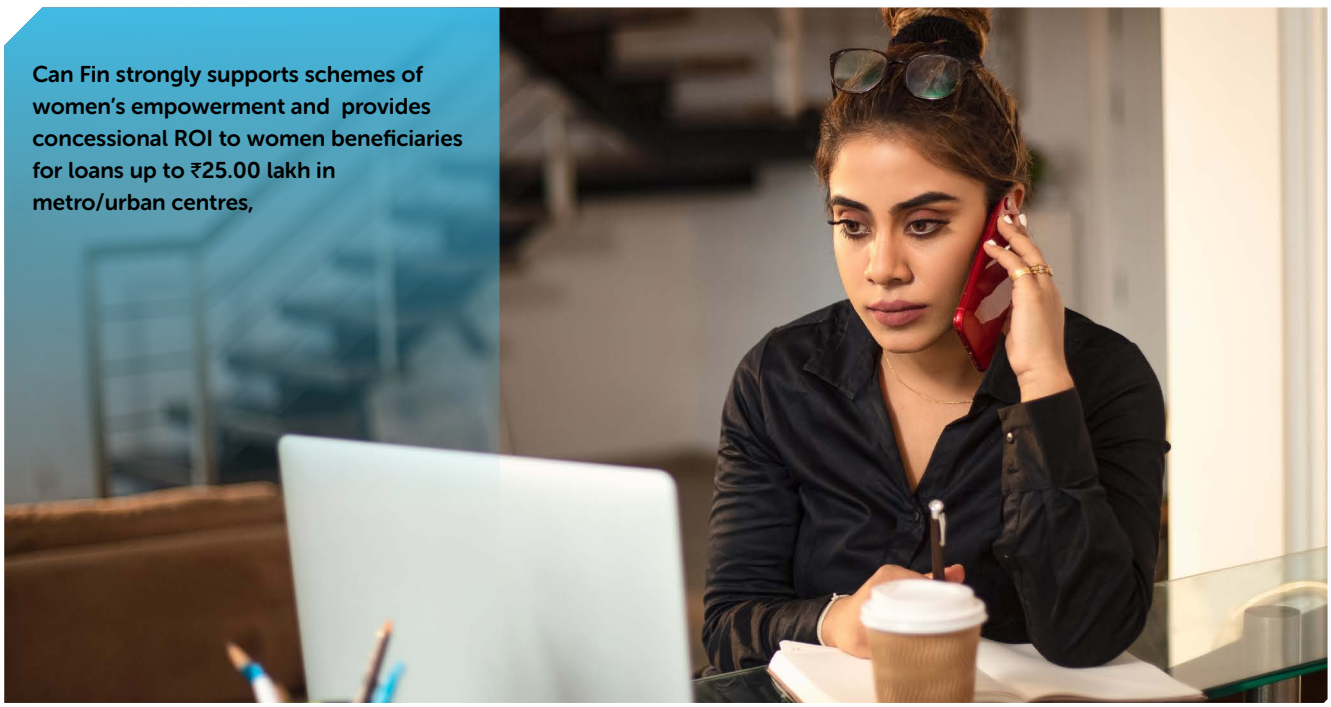
### Striving through the pandemic

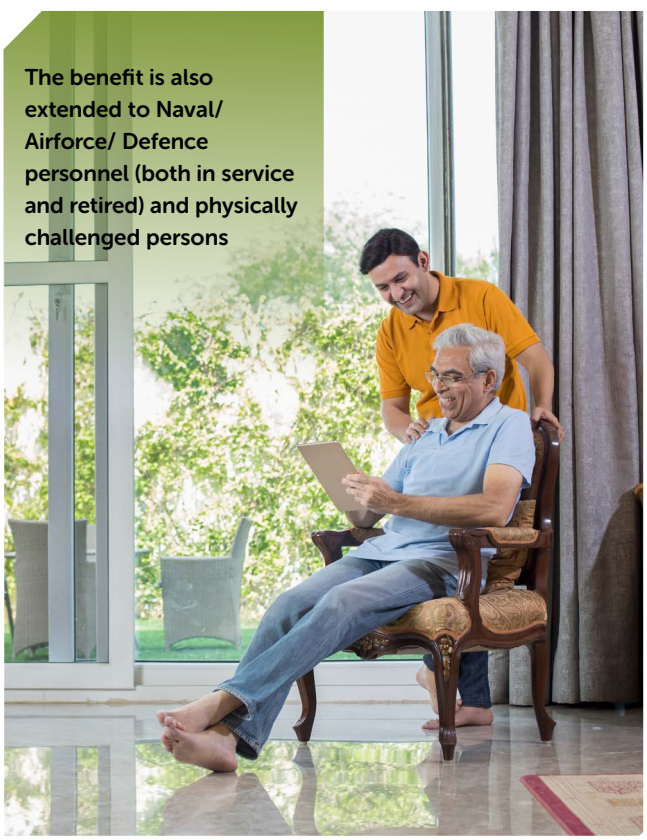
Our focus on modernising the business and investing in digital projects has allowed us to effectively respond to COVID-19's accelerated transition to digital channels. It has not only helped us get through the crisis unscathed, but it has also secured business continuity in the face of adversity.

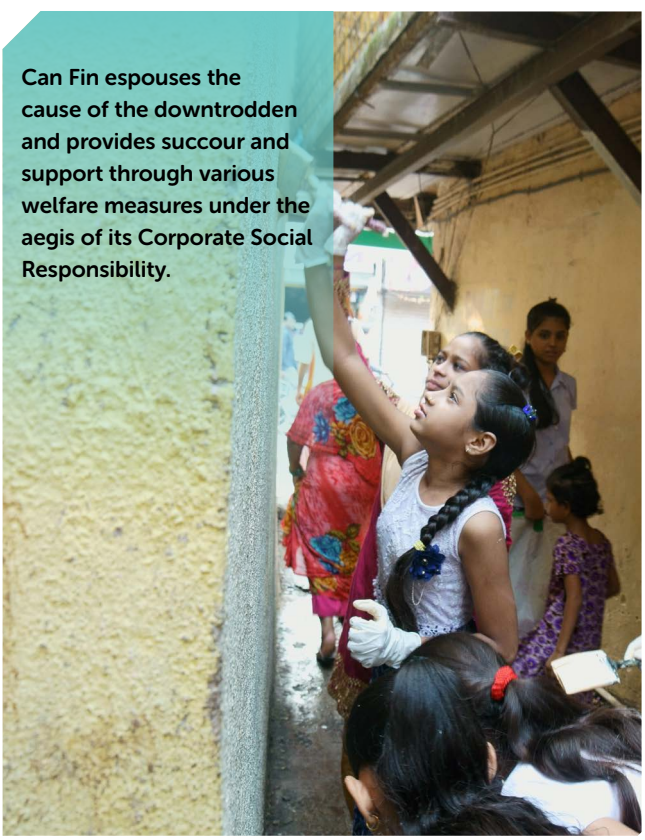


# Fulfilment of Social Responsibility

Besides being the core business activity of Can Fin homes, lending for home finance is also considered to be the fulfilment of a deeper and larger social responsibility. Can Fin's lending portfolio caters to diverse segments.


Can Fin strongly supports schemes of women's empowerment and provides concessional ROI to women beneficiaries for loans up to ₹25.00 lakh in metro/urban centres,


The benefit is also extended to Naval/ Airforce/ Defence personnel (both in service and retired) and physically challenged persons


Can Fin espouses the cause of the downtrodden and provides succour and support through various welfare measures under the aegis of its Corporate Social Responsibility.

# Promoting sustainable and inclusive development

Discharging its Corporate Social Responsibility with enthusiasm, efficiency and compassion has become a way of life at Can Fin Homes Ltd. Giving back to society in multifarious ways is very satisfying and the organization is deeply committed to carrying out its CSR activities very diligently. As a Company, we are dedicated to the socio-economic development of the communities in which we operate. We are willingly aspiring to enrich our local communities through our CSR projects in order to assure their development and uplift underserved communities. Our community development CSR programmes are focused on a few key areas.

## CSR focus areas

**Health is one of the prime requisites in life and this fact has been driven home most forcibly after the Pandemic.** Therefore health care facilities are given predominance in our CSR expenditure. Ambulances and advanced medical equipment have been provided for several hospitals to facilitate treatment of patients across the length and breadth of the country.

**₹10.70 Cr**
CSR expenditure

Advanced Medicare - One High frequency mobile digital radiography System to Jayadeva Hospital, Bengaluru

Wheels of Service - Ambulance to Government General Hospital, Yelahanka

Wheel of Vision - Ambulance to Global Eye Foundation (GEF) Hospital

Wheel of Help and Hope - Ambulance to Sanjay Gandhi Institute of Trauma & Orthopaedics

**Women empowerment** is also pursued zealously since it is a proven fact that"
educate a woman and you educate a generation".

Setting up Mini Science Centre & training at Karnataka Public School, Basavanagudi.

Research paves the way for development. Our Deputy Managing Director Shri Amitabh Chatterjee setting up 2 TINKER LABS.

**Promoting education is also a constant CSR endeavour.** Education for the marginalized sections like tribals has been promoted in addition to construction of class room blocks for rural students, providing stationery and furniture. Research, being an integral part of development, has also been given a boost through our CSR pursuit of setting up Mini Science Labs (TINKER Labs).

"We aspire for a brilliant future"
Renovation of Anganwadi – ACT (Academy for Creating Teaching Trust)

Construction of Ground and First floor Class room blocks at Boys School building, Shivanahalli, Ramakrishna Mission.

"Involve me and I will learn" - Free Computer Education - 500 students – Gandhi Institute.

Scholarships have been provided for the girl child and the underprivileged. The safety of girls is paramount and towards this end, we have sponsored the construction of girls hostel.

**Vocational training programmes**, renovation of Anganwadis are some of the other measures undertaken as a part of our CSR drive.

"Women's safety is non-negotiable" –
Financial assistance towards Construction of Girls Hostels.
SVYM – Saragur, Mysuru.

**The Company** has also contributed towards welfare measures such as the provision of basic fixed assets for old age homes, orphanages, residential homes for the differently abled, direct

"All set to greet a brighter tomorrow"
Renovation of Anganwadi – Rotary Bangalore Indiranagar

remittance to Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) for relief measures in times of emergencies like flood and other distress situations such as the COVID-19 outbreak.

Prevention being better than cure, periodic vaccination camps for the general public have been conducted. Can Fin has also contributed for animal well-being by providing a mobile van for the treatment of injured animals .

As a part of its commitment to promote Save Green efforts, renewable energy sources have been utilized by providing solar roof top panels and Solar lights to a village. Rejuvenation of Lakes is also a conservation project taken up by Can Fin.

Vaccination Drive inaugurated by Ms. Shamila M - General Manager & Business Head for Basavanagudi residents - "Prevention is better than cure"

Vaccination Drive @ Rajajinagar, Bengaluru –
"Health is Wealth indeed"

Vaccination Drive @ Lavelle Road, Bengaluru –
"A prick in time saves!"

Other information relating to the particulars on spending in terms of the Corporate Social Responsibility Policy and reasons for not spending/carrying forward the balance amount, if any, during the current year are disclosed in a separate report, Annexure-2 to the Report of Directors, forming part of this Annual Report.

# Operational & Financial Highlights

## I – Statistics on Business

| SL No | Parameters | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|---|
| 1 | Loan Approvals (₹ in Cr) | 4,418 | 5,451 | 5,760 | 5,952 | 5,897 | 4,634 | 8,896 |
| 2 | Loan disbursements (₹ in Cr) | 3,923 | 4,792 | 5,207 | 5,479 | 5,481 | 4,346 | 8,276 |
| 3 | Total Loan outstanding (₹ in Cr) | 10,643 | 13,313 | 15,743 | 18,381 | 20,706 | 22,105 | 26,711 |
| 4 | Out of 3 above, | | | | | | | |
| | i. Housing Loans (₹ in Cr) | 9,381.32 | 11,783.59 | 14,089.08 | 16,442.98 | 18,676.95 | 19,992.70 | 21,615.05 |
| | ii. Non Housing Loans ( in Cr) | 1,261.81 | 1,529.47 | 1,653.91 | 1,938.98 | 2,028.65 | 2,112.15 | 5,096.17 |
| 5 | Borrowings (₹ in Cr) | 9,443.96 | 11,871.95 | 16,694.44 | 16,880.09 | 18,748.44 | 19,292.90 | 26711.22 |
| 6 | NPA | | | | | | | |
| | i. Gross NPA (₹ in Cr) | 19.76 | 27.91 | 67.49 | 113.51 | 157.13 | 201.91 | 170.59 |
| | ii. Gross NPA % | 0.19% | 0.21% | 0.43% | 0.62% | 0.76% | 0.91% | 0.64% |
| | iii. Net NPA % | NIL | NIL | 0.20% | 0.43% | 0.54% | 0.61% | 0.30% |
| 7 | Average Assets (₹ in Cr) | | | | | | | |
| | i. Housing loan | 8,213.96 | 10,496.27 | 12,839.20 | 15,188.30 | 17,568.90 | 18,742.06 | 20,947.71 |
| | ii. Non Housing loan | 1,063.91 | 1,387.61 | 1,554.97 | 1,662.82 | 1,918.53 | 2,137.54 | 2,433.81 |
| | iii. Investments | 24.36 | 32.46 | 39.79 | 35.07 | 46.60 | 80.37 | 498.08 |
| | iv. Securitised Assets | - | - | - | - | - | | |
| | Total Average Assets (₹ in Cr) | 9,302.23 | 1,1916.34 | 14,433.96 | 16,886.19 | 19,534.03 | 20,959.97 | 23,879.60 |
| 8 | Average Borrowings(₹ in Cr) | 8401.58 | 10,588.06 | 12,714.23 | 14,807.89 | 17,267.97 | 18,962.43 | 20,627.23 |
| 9 | No. of Branches / Offices | | | | | | | |
| | i. Branches | 110 | 134 | 153 | 175 | 186 | 186 | 189 |
| | ii. Satellite Offices | 30 | 36 | 20 | 14 | 14 | 14 | 12 |
| | Total No. of Branches / Offices | 140 | 170 | 173 | 189 | 200 | 200 | 201 |
| 10 | No. of Employees | 553 | 626 | 648 | 792 | 838 | 887 | 909 |

## II - Statistics on Income & Expenditure

| SL No | Parameters | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|---|
| 11 | Interest Collected (₹ in Cr) | | | | | | | |
| | i. Housing Loan | 896.10 | 1,111.31 | 1,277.03 | 1,482.89 | 1,766.50 | 1,768.39 | 1,717.63 |
| | ii. Non Housing Loan | 146.67 | 192.61 | 211.40 | 214.59 | 229.25 | 216.38 | 189.24 |
| | iii. Investment | 1.64 | 2.15 | 2.14 | 2.26 | 3.32 | 4.70 | 31.74 |
| | Total Interest Collected (₹ in Cr) | 1,044.41 | 1,306.08 | 1,490.58 | 1,699.74 | 1,999.07 | 1,989.47 | 1,938.60 |
| 12 | Processing Charges (₹ in Cr) | 38.52 | 45.99 | 27.07 | 26.42 | 29.10 | 26.30 | 42.69 |
| 13 | Other Income (₹ in Cr) | 0.61 | 1.06 | 4.34 | 5.19 | 2.28 | 2.66 | 7.22 |
| 14 | Total Income (₹ in Cr) | 1,083.54 | 1,353.12 | 1,521.98 | 1,731.35 | 2,030.45 | 2,018.43 | 1,988.51 |
| 15 | Interest Paid (₹ in Cr) | 743.48 | 884.03 | 981.02 | 1,169.27 | 1,344.21 | 1,208.33 | 1,153.51 |
| 16 | Net Interest Income (NII) (₹ in Cr) | 300.93 | 422.05 | 509.55 | 530.47 | 674.70 | 798.04 | 816.15 |
| 17 | Staff Cost (₹ in Cr) | 33.06 | 39.36 | 44.82 | 41.40 | 56.57 | 69.98 | 76.81 |
| 18 | Other Expenses (₹ in Cr) | | | | | | | |
| | i. Establishment | 9.77 | 12.32 | 12.49 | 14.29 | 3.46 | 3.47 | 4.73 |
| | ii. DSA Commission | 7.78 | 9.91 | 9.16 | 10.36 | 11.74 | 11.43 | 24.47 |
| | iii. Professional fees – IBS | 2.78 | 2.99 | 3.29 | 3.55 | 1.98 | 2.97 | 3.90 |
| | iv. Others incl CSR | 6.66 | 11.55 | 14.93 | 18.91 | 24.42 | 26.57 | 33.28 |
| 19 | Depreciation (₹ in Cr) | 3.46 | 3.73 | 3.09 | 2.97 | 9.47 | 9.57 | 9.81 |
| 20 | Bad Debts written off (₹ in Cr) | 3.29 | 0.85 | - | - | - | - | - |
| 21 | Operating Cost (₹ in Cr) | 63.50 | 79.86 | 87.77 | 91.47 | 107.64 | 123.99 | 153.00 |
| 22 | Total Cost (₹ in Cr) | 810.27 | 964.74 | 1,068.80 | 1,260.74 | 1,451.85 | 1,332.32 | 1,306.51 |
| 23 | Operating Profit (₹ in Cr) | 273.27 | 388.38 | 453.19 | 470.60 | 578.60 | 686.11 | 682.00 |

| SL No | Parameters | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---|---|---|---|---|---|---|---|
| 24 | Provisions & Taxes (₹ in Cr) | | | | | | | |
| | i. Standard Assets | 14.00 | 10.65 | 2.10 | 0.40 | 44.46 | 46.26 | 24.65 |
| | ii. Non Performing Assets | 5.41 | 8.15 | 20.00 | 0.69 | 15.85 | 22.27 | 22.29 |
| | iii. Income Tax | 80.00 | 115.13 | 157.41 | 173.55 | 150.19 | 173.07 | 165.93 |
| | iv. Deferred Tax Liability/(Asset) | 16.75 | 19.78 | -12.52 | -0.79 | -8.02 | -11.55 | -1.98 |
| | v. Prior Period Adjustment | 0.00 | -0.59 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | vi. Other Comprehensive income (₹ in Cr) | 0.00 | 0.00 | 0.42 | 0.03 | -1.71 | -0.03 | -0.88 |
| 25 | Net Profit (₹ in Cr) | 157.11 | 235.26 | 286.62 | 296.77 | 374.41 | 456.03 | 470.23 |
| 26 | Share Capital (₹ in Cr) | 26.62 | 26.62 | 26.63 | 26.63 | 26.63 | 26.63 | 26.63 |
| 27 | Reserves (₹ in Cr) | 851.42 | 1,049.68 | 1,460.35 | 1,755.55 | 2,123.44 | 2,583.17 | 3,039.99 |
| 28 | Deferred Tax Liability DTL /(AssetsDTA) | 56.87 | 113.65 | -23.24 | -24.01 | -33.89 | -45.45 | -47.73 |
| 29 | Shareholder's Funds – Tier I (₹ in Cr) | 878.04 | 1,076.30 | 1,486.98 | 1,782.18 | 2,150.07 | 2,609.81 | 3,001.61 |
| 30 | Number of Shares (in Cr) | 2.66 | 2.66 | 13.31 | 13.32 | 13.32 | 13.32 | 13.32 |
| | Tier II Capital (₹ in Cr) | | | | | | | |
| 31 | - Standard Assets Provision | 52.00 | 62.65 | 64.75 | 65.15 | 109.61 | 155.87 | 97.83 |
| | - Tier II Bonds* | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | Total Tier II Capital (₹ in Cr) | 152.00 | 162.65 | 164.75 | 165.15 | 209.61 | 255.87 | 213.55 |
| 32 | Dividend | | | | | | | |
| | i. Percentage | 100 | 100 | 100 | 100 | 100 | 100 | 150 |
| | ii. Amount (₹ in Cr) | 26.63 | 26.63 | 26.63 | 26.63 | 26.63 | 26.63 | 39.95 |
| | iii. Payout Ratio excl tax % | 16.95% | 11.32% | 9.29% | 8.97% | 7.11% | 5.84% | 8.50% |
| | iv. Payout Ratio incl tax % | 20.40% | 13.62% | 11.18% | 10.82% | 8.57% | 7.04% | 9.66% |
| | v. Dividend yield % | 0.87% | 0.47% | 0.41% | 0.57% | 0.72% | 0.33% | 0.33% |
| 33 | Book Value (BV) (FV of share ₹2) | 329.84 | 404.32 | 111.72 | 133.84 | 161.47 | 196.00 | 230.31 |
| 34 | Earnings per Share (EPS)(₹) | 59.02 | 88.38 | 21.53 | 22.29 | 28.25 | 34.25 | 35.38 |
| 35 | Return on Equity (ROE) % | 19.05% | 24.08% | 22.36% | 18.16% | 17.44% | 17.47% | 15.36% |
| 36 | Return on Average Asset (ROA) % | 1.69% | 1.97% | 2.09% | 2.09% | 1.93% | 2.18% | 2.01% |
| 37 | Closing Stock Price (CMP/NSE) | 1,154.35 | 2,121.45 | 484.50 | 348.85 | 279.05 | 613.75 | 631.45 |
| 38 | Market Cap (MC) (₹ in Cr) | 3,070.57 | 5,643.06 | 6,451.32 | 4,645.08 | 3,715.67 | 8,172.33 | 8,408.02 |
| 39 | CMP/ Earnings (P/E Ratio) | 19.56 | 24.00 | 22.50 | 15.65 | 9.88 | 17.92 | 17.85 |
| 40 | CMP / Book Value (P/B Ratio) | 3.50 | 5.25 | 4.34 | 2.61 | 1.73 | 3.13 | 2.74 |
| 41 | Risk Weighted Assets (₹ in Cr) | 4,979.64 | 6,521.71 | 7,751.27 | 9,180.41 | 10,509.02 | 11,029.84 | 13,884.29 |
| 42 | Capital Adequacy Ratio (CAR) | 20.69% | 18.50% | 19.08% | 16.44% | 22.26% | 25.46% | 23.15% |
| 43 | Net Interest Margin (NIM) | | | | | | | |
| | a) Conventional | 3.24% | 3.54% | 3.53% | 3.14% | 3.35% | 3.81% | 3.42% |
| | b) Including PC | 3.65% | 3.93% | 3.71% | 3.29% | 3.52% | 3.88% | 3.57% |
| 44 | Cost to Income Ratio | 18.67% | 17.02% | 16.23% | 16.30% | 15.68% | 15.33% | 18.32% |
| 45 | Average Business Per Branch (₹ in Cr) | 86.71 | 97.88 | 106.58 | 111.86 | 105.06 | 112.74 | 136.96 |
| 46 | Average Business Per Employee (BPE) (₹ in Cr) | 18.52 | 20.68 | 23.92 | 25.99 | 25.07 | 25.42 | 30.13 |
| 47 | Average Yield on Assets | 11.24% | 10.96% | 10.33% | 10.06% | 10.23% | 9.49% | 8.11% |
| 48 | Average Cost of Borrowings | 8.75% | 8.35% | 7.70% | 7.90% | 7.78% | 6.71% | 5.56% |
| 49 | Interest Spread | 2.49% | 2.61% | 2.63% | 2.16% | 2.45% | 2.78% | 2.55% |
| 50 | Gearing Ratio | 10.76 | 11.03 | 9.36 | 9.47 | 8.72 | 7.39 | 8.04 |

**Note:**

1 SL no. 32 for FY 2021-22 is subject to approval of Members at the AGM to be held on September 7, 2022.

2 SL no. 30, 37 and 39 -Equity shares of ₹ 10 were subdivided into equity shares of ₹ 2 each w.e.f October 13, 2017.

3 SL no. 27, 29 and 33 is without considering the appropriations for Dividend and Dividend Tax.

4 SL no.24(i) and 31 Standard Assets provision includes general provision made as per RBI regulatory package for FY 2019-20 and FY 2020-21.

# Board of Directors

**Shri L V Prabhakar**
Chairman (Promoter)
Managing Director & CEO, Canara Bank

**Shri Girish Kousgi**
Managing Director & CEO

**Shri Debashish Mukherjee**
Director (Promoter)

**Shri Naganathan Ganesan**
Director (Independent)

**Shri Satish Kumar Kalra**
Director (Independent)

**Smt Shubhalakshmi Aamod Panse**
Director (Independent)

**Shri Amitabh Chatterjee**
Deputy Managing Director

**Shri Ajai Kumar**
Director (Independent)

**Shri Arvind Narayan Yennemadi**
Additional Director
(Independent)
w.e.f August 04, 2022

**Shri Anup Sankar Bhattacharya**
Additional Director
(Independent)
w.e.f August 04, 2022

# Profile of Board of Directors

## Shri L V Prabhakar

Chairman (Promoter)
Managing Director & CEO,
Canara Bank

Shri L V Prabhakar was appointed as an Additional Director (Non-executive Promoter) w.e.f July 30, 2020 on the Board of the Company and he has been appointed by the members as a Director at the 33rd Annual General Meeting held on August 26, 2020. He is a Promoter and Non- Executive Director of the Company.

Shri L V Prabhakar holds a Master's Degree in Agriculture and a Certified Associate of Indian Institute of Bankers (CAIIB).

Shri L V Prabhakar is currently serving as the Managing Director & Chief Executive Officer of Canara Bank. He has over 35 years of rich experience in banking, spread across a spectrum of domains. He is a member on the Boards of two listed entities viz., Can Fin Homes Limited and Canara Bank. He is the Chairman of Canara Robeco Asset Management Co. Ltd., Canara HSBC Insurance Company Ltd. and Can Fin Homes Ltd. He is the Chairman of IBA Standing Committee on Payment Systems & Banking Technology. He is the Vice President of the Governing Council of Indian Institute of Banking & Finance (IIBF) and Director in National Institute of Banking Management (NIBM).

Prior to joining Canara Bank, Shri L V Prabhakar worked as the Executive Director of Punjab National Bank. He handled various verticals of the Bank viz., Credit, Treasury and Human Resources. He was also instrumental in strengthening systems and procedures by taking initiatives in Stressed Assets Management Vertical, Digitization of Trade Finance, etc. He has also served on the Boards of PNB Metlife India Insurance, PNB Housing Finance Limited and Everest Bank Ltd. Nepal.

## Shri Girish Kousgi

Managing Director & CEO

Shri Girish Kousgi has been appointed as the Managing Director & CEO of Company w.e.f. September 05, 2019. He is appointed for a tenure of five years subject to further extension of tenure as per his terms of appointment.

Shri Girish Kousgi is a graduate in Commerce (B.Com.) and Post graduate in Business Administration (MBA).

Shri Girish Kousgi is a Banking professional with 25+ years of experience. He has an extensive experience of managing assets and liabilities and has gained expertise in mortgage, retail lending, SME and Agri business.

During his career so far, he has worked in HDFC Ltd., ICICI Bank, IDFC Bank and Tata Capital. He has dealt with a variety of loan products like home loans, business loans, LAP, personal loans, mortgages, deposits, retail, rural products, etc. and gained wide experience in handling sales, product, credit underwriting, risk and operations.

He has significant experience of retail banking for over 17 years in Bengaluru, Hyderabad and Kerala apart from an experience of about 11 years in credit risk including risk-based verification strategies for loan products, measure credit expansion opportunities in the lending market and validate and implement credit risk models.

## Shri Debashish Mukherjee

Director (Promoter)

Shri Debashish Mukherjee was appointed as an Additional Director (Non-executive Promoter) w.e.f March 12, 2019 on the Board of the Company and he was appointed by the members as a Director at the 32nd Annual General Meeting of the Company held on July 17, 2019 and re-appointed by the members as a Director at the 34th Annual General Meeting held on September 08, 2021. He is a Promoter and Non-Executive Director of the Company.

Shri Mukherjee is a post graduate in Business Administration (MBA - Finance) from the University of Kolkata.

Shri Debashish Mukherjee has taken charge as Executive Director of Canara Bank on February 19, 2018. He is currently overseeing the functions of Human Resources, Corporate Credit, Stressed Asset Management, International Operations, Integrated Treasury, Financial Management, Associates, Subsidiaries, Recovery, Legal & Fraud Prevention.

He is currently a member on the Boards of two listed entities viz., Can Fin Homes Limited and Canara Bank. He is also a member on the Boards of the subsidiaries and/or Joint venture Companies viz., Canara Robeco Asset Management Company, Canara HSBC Life Insurance Company, Canara Bank Securities Limited, Canbank Venture Capital Ltd. and a non- profit organization viz., Higher Education Financing Agency.

Prior to joining Canara Bank, he started his career with Punjab National Bank as a Financial Analyst in scale II in 1994. He joined

# Profile of Board of Directors

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

## Shri Naganathan Ganesan

Director (Independent)

The Board of Directors had appointed Shri Naganathan Ganesan, FCA, as a Director of the Company on September 07, 2016. He has been re-appointed as an Independent Director for a further tenure of 3 years at the 32nd Annual General Meeting held on July 17, 2019. He is an Independent Non-Executive Director of the Company.

Shri Naganathan Ganesan is a rank holder in Chartered Accountancy and Cost Accountancy. He has completed the Diploma in Information Systems Audit, Courses in Certified Information Systems Auditor and also Certificate Courses in Valuation, Ind AS and Public Finance.

Presently, he is a Partner in M/s. MSKC & Associates, Chartered Accountants. He has put in a practice of 38 years in M/s. MSKC & Associates, Chartered Accountants. His areas of practice and expertise include statutory and related attestation services, consultancy in direct taxes and FEMA and management advisory services.

Shri Naganathan Ganesan is involved in the audit of banking and Insurance companies, representation before various adjudicating authorities for the last three decades. He also has been involved in monitoring of large sick companies on behalf of consortium of banks.

## Shri Satish Kumar Kalra

Director (Independent)

Shri Satish Kumar Kalra was appointed as an Additional Director (Non- executive independent) on the Board of the Company w.e.f. June 15, 2020 and he has been appointed by the members as an Independent Director at the 33rd Annual General Meeting held on August 26, 2020.

Shri Satish Kumar Kalra is a Post Graduate in Science (M.Sc.), a CAIIB (Certified Associate of Indian Institute of Banking) and PGDM in Finance.

Presently, he is also on the Boards of PNB Gilts, Indbank Merchant Banking Services Limited and J. K. Cement Limited.

Shri Satish Kumar Kalra was also a Member on the Advisory Board for Banking and Financial Frauds for about two years since March 2020. He has served as the Managing Director & CEO (Additional-charge) in Andhra Bank for 6 months (he was the Whole Time Director/ Executive Director in Andhra Bank from Oct 2012 to Aug 2017). Prior to joining Andhra Bank as Executive Director, he was General Manager (Treasury) in Allahabad Bank. He was a Director on the Board of India First Life Insurance Company Limited.

Shri Satish Kumar Kalra has provided strategic guidance to the Bank in Key areas of NPA, Credit, International Banking, Treasury Management, HR, etc. He has a vide experience in the areas of Treasury Management, Risk management, Corporate Planning, Inspection & Audit, Merchant Banking, Board Secretariat, Credit Monitoring & Review, Recovery Management and Legal, Retail & MSME lending. He has an experience of about 38 years in the banking industry.

He has attended CAFRAL Training Programme at USA Washington as well as at University of Maryland and also attended SIBOS Program at Dubai and training for EDs at Kozhikode. He had also attended various management programmes at IIM Calcutta and Barclays Bank, PLC, London.

## Smt Shubhalakshmi Aamod Panse

Director (Independent)

Smt Shubhalakshmi Aamod Panse was appointed as an Additional Director (Non-executive independent) on the Board of the Company w.e.f. June 15, 2020 and she has been appointed by the members as an Independent Director at the 33rd Annual General Meeting held on August 26, 2020.

Smt Shubhalakshmi Panse is a Post Graduate in Science (M.Sc.), Diploma in Business Management (DBM), Masters in Management Sciences with Specialization in Financial Management (MMS), Masters in Business Administration with specialization in Bank Management (USA) and CAIIB.

Presently, she is on the Boards of Atul Ltd. and Sudharshan Chemical Industries Ltd. as Independent Director.

Smt Shubhalakshmi Panse has been a Member of External Advisory Committee set up by RBI for vetting the applications received for setting up Payment Banks. She was a member of P J Nayak Committee set up by the Government of India for

Corporate Governance in PSBs. She was also a member of Appointments Committee for selection of CMDs & EDs of public sector banks.

Smt Shubhalakshmi Panse was appointed as the Chairperson & Managing Director, Allahabad Bank from October 01, 2012 to January 31, 2014. (Prior to that she was an Executive Director of Vijaya Bank from November 20, 2019 to September 30, 2012. She was also the Chairman of ALLBANK Finance Ltd., a subsidiary of Allahabad Bank and Director on the Board of Universal Sompo Insurance Company, a joint venture company of Allahabad Bank, Indian Overseas Bank, Karnataka Bank, Sompo of Japan & Dabar Company.

Smt Shubhalakshmi Panse joined as Probationary Officer in Bank of Maharashtra in 1976 and served upto the level of General Manager in Bank of Maharashtra.

She has wide experience in the areas of Balance Sheet Management, Funds Management, Treasury Management, Corporate Credit Appraisal, Credit Monitoring & restructuring and NPA Management, expertise in Project Appraisal and Monitoring and Implementation, Business Planning, Conceptualising and Planning the road map of Information & Technology, establishing and putting in place systems and procedures for new business outlets and running them efficiently and effectively, Human Resource Development & Management strategies. She has an experience of about 40 years in the banking industry.

## Shri Amitabh Chatterjee

Deputy Managing Director

Shri Amitabh Chatterjee was appointed as an Additional Director (Deputy Managing Director) on the Board of the Company w.e.f. July 15, 2021 and he has been appointed by the members as a Deputy Managing Director at the 34th Annual General Meeting held on September 08, 2021.

Shri Amitabh Chatterjee has a Master Degree in Business Administration, Bachelor Degree in Science, CAIIB (Certified Associate of Indian Institute of Banking) and has acquired Diploma in Treasury, Investment and Risk Management.

During his service in the Bank, he has headed different branches including specialised branches like Overseas branches, Prime Corporate Branch, etc. and he has also headed the Kolkata Regional Office of the Bank. Prior to his posting to the Company he was holding the position of Deputy General Manager in Canara Bank, Prime Corporate Branch, Bengaluru.

## Shri Ajai Kumar

Director (Independent)

Shri Ajai Kumar was appointed as an Additional Director (Non-executive Independent) on the Board of the Company w.e.f. July 31, 2021 and he has been appointed by the members as an Independent Director at the 34th Annual General Meeting held on September 08, 2021.

Shri Ajai Kumar, is a Master Degree holder in Science (Physics), Bachelor degree in Science, LLB and has acquired CAIIB (Certified Associate of Indian Institute of Banking) certification.

Presently, he is on the Boards of Indiabulls Asset Management Company Limited, Metropolitan Stock Exchange of India Limited, Amar Ujala Limited, HFCL Limited, Nuclear Power Corporation of India Limited, Adani Krishnapatnam Port Limited, National Co-Operative Finance and Development Corporation Limited.

He has over 40 years of experience in Public sector Banking industry holding eminent position in India and overseas (New York USA). He has acquired multidimensional experience in the field of Global and Domestic banking Operation, Risk Management Treasury, Investment and Money Marketing Operations, Human Resources Management, Business process re-engineering, Retail Banking Operations, Project Management and Banking Information Technology. His past engagements include appointment as Chairman & Managing Director- Corporation Bank, Managing Director & CEO (interim)- Yes Bank Ltd, Executive Director, General Manager-UCO Bank, General Manager- Bank of Baroda etc.

## Shri Arvind Narayan Yennemadi

Additional Director (Independent)

Shri Arvind Narayan Yennemadi has been appointed as an Additional Director (Non-executive Independent) on the Board of the Company w.e.f. August 04, 2022. Agenda relating to his appointment as Director will be placed in the ensuing 35th Annual General Meeting of the Company.

Shri Arvind Narayan Yennemadi is a Chartered Accountant from the Institute of Chartered Accountants of India, B.Com from Mumbai University and D.I.S.A. qualified.

He has over 45 years experience in the audits of Public/ Private Sector Banks as Concurrent/ Statutory Auditor and has domain

# Profile of Board of Directors

knowledge in the field of Taxation. Handled Audit function in Kamani Engineering Limited, Mumbai (May 1977 till March 1978) looking after the Site Expense Control & Monitoring. Practiced in a Partnership firm of Karnik Yennemadi & Co. (April 1978 till March 1996) Mumbai, mainly carrying out- Audits of Pvt. Ltd Co's (Client's in industries such as Automotive, Electricity Transmission, Heavy Engineering, Composite Textile Mill, Agricultural Produce & Marketing, Petroleum & Refinery, Courier Service, etc.)

He had handled Concurrent audits of Co-operative Banks/ NBFC's, Statutory/ Special Audits for branches of PSB's such as Oriental Bank, Andhra Bank, Indusind Bank, Punjab & Sindh Bank, etc., Special Investigation Audits for MSFC, Central Bank of India, Bank of India on behalf of BIFR. He has been handling Call Back operations for Payment Control Division for HDFC Bank (CPU) since 2007 till date. Has recently carried out testing of Internal Financial Controls for Foreign Bank. Taxation services including representation at Appellate Level. Joined RAY & RAY, as Partner, having offices in all the Metros (April 1996 till Date).

He had also handled audits of Large Public Sector banks such as:-Bank of Baroda: Treasury (SITB) Ops/Money Market Ops, International Division, HO audit consolidation(Central Statutory Audit), Punjab National Bank(Branch Statutory Audit),Union Bank of India(Branch Concurrent audits), Punjab National Bank (Mid –Corporate Branch), Dena Bank( Treasury), State Bank of India (International Branches), Bank of India, Oriental Bank of Commerce, Axis Bank, Andhra Bank, Corporation Bank (All Branch/Statutory branch Audits) along with Statutory audits of FI's such as IFCI & IDBI.

## Shri Anup Sankar Bhattacharya

Additional Director (Independent)

Shri Anup Sankar Bhattacharya has been appointed as an Additional Director (Non-executive Independent) on the Board of the Company w.e.f. August 04, 2022. Agenda relating to his appointment as Director will be placed in the ensuing 35th Annual General Meeting of the Company.

Shri Anup Sankar Bhattacharya is a BSc (Agri) Hons. from University of Kalyani, West Bengal.

He has participated in International Banking Summer School at Baden (Austria), workshops and training Programs organized by Administrative Staff College of India in Hyderabad, Indian Institute of Management (IIM) Kolkata, National Institute of Bank Management, Pune and Reserve Bank of India.

Presently he is an Independent Director on the Board of India SME Asset Reconstruction Company Limited (a SIDBI promoted Assets Reconstruction Company). He had served as the Director (CEO), IBPS, a premier Institute in the field of Selection, Assessment and Employment testing for banking organizations and a number of non-banking Institutions. He was member of the Governing Council of Indian Institute of Banking & Finance. He is an Honorary Fellow of Indian Institute of Banking & Finance.

He had served as the Chairman & Managing Director of Bank of Maharashtra. He has rich experience coupled with an in-depth knowledge of the Banking Industry from across various markets in India. During his career as a banker, he has handled several crucial portfolios like the Executive Director, Member of Audit Committee, Member of Management Committee, Member of Shareholders & Investors Grievance Committee, Member of Share Transfer Committee, Member of Committee to Monitor Large Value Frauds, Member of Committee of Directors (Vigilance), Member of Customer Service Committee, Member of Risk Management Committee and Member of Technology Committee.

He was also the member of the Management Committee of the Indian Banks Association (IBA) and the member of the personnel committee of the Indian Bank Association. From 1971 to 1992, he had worked in United Bank of India holding different positions ranging from officer to General Manager. As the General Manager he was posted in Head Office in Kolkata. As General Manager he had managed important portfolios like Human Resources, General Administration, Priority Sector, IT, Board and coordination.

In October 2008, he joined Indian Bank as its Executive Director. He also held the position of Chairman of subsidiaries of Indian Bank, viz. Ind Bank Merchant Banking Services Ltd., Indfund Management Ltd. and Ind Bank Housing Limited since July 2009.

# Key Managerial Personnel

**Shri Girish Kousgi**
Managing Director & CEO

**Shri Amitabh Chatterjee**
Deputy Managing Director

**Smt Shamila M**
General Manager & Business Head

**Shri Prashanth Joishy**
AGM & CFO

**Smt Veena G Kamath**
DGM & Company Secretary

# Profile of Key Managerial Personnel

## Shri Girish Kousgi

holding a Post Graduate degree in Business Administration is a banking professional with a rich experience of over 26 years in various organisations like HDFC Ltd., ICICI Bank, IDFC Bank and Tata Capital. He took over as the Managing Director & CEO of Company w.e.f September 05, 2019.

In his career spanning over 26 years, retail banking experience of 17 years coupled with 11 years experience in credit risk and his consequent expertise in sales, mortgage, retail lending, SME and Agri business have helped him hone his capabilities for effective leadership in the new domain.

## Shri Amitabh Chatterjee

has a Master Degree in Business Administration,Bachelor Degree in Science, CAIIB(Certified Associate of Indian Institute of Banking and Finance) and has acquired Diploma in Treasury, Investment and Risk Management.

Shri Amitabh Chatterjee has been appointed as an Additional Director (Deputy Managing Director) on the Board of the Company w.e.f. July 15, 2021. Agenda relating to his appointment as Director will be placedin the ensuing 34th Annual General Meeting of the Company.

During his service in the Bank, he has headed different branches including specialised branches like Overseas branches, Prime Corporate Branch and also headed a Regional Office. He has also headed the Kolkata Regional Office of the Bank.

Prior to his posting to the Company he was holding the position of Deputy General Manager in Canara Bank, Prime Corporate Branch, Bengaluru.

## Smt.Shamila M

holds a MBA degree and is one of the initial staff members of the Company, having joined it in February 1988 as a management trainee, a few months after inception.

She has served the Company in various capacities and has had a wide exposure and experience in operations. She has successfully headed several branches of the company over the years and has also effectively handled Credit, Accounts, Human Resources Management (HRM), Recovery, Planning & Development departments in the Registered Office during her lengthy tenure of around 33 years. Presently, she oversees the overall functioning of the Company, in her capacity as General Manager.

## Shri Prashanth Joishy

Assistant General Manager of F & A Department of the Company is a Commerce graduate. Having joined the Company in 1989, he is a senior employee with 32 years of service. In this period, he has a wide exposure in operations and has headed branches in the states of Karnataka, Maharashtra, Bhubaneswar . He has also worked for about 11 years in Finance & Accounts Department of the Company and has donned the mantle of the Chief Financial Officer (CFO) and Key Managerial Personnel of the Company w.e.f. November 4, 2019, in place of the earlier CFO, Shri Atanu Bagchi, who attained superannuation w.e.f. May 31, 2019

## Smt.Veena G Kamath

holds a degree in Business Management and Law. She is a member of the Institute of Company Secretaries of India (ICSI) too.

Having joined Can Fin Homes Ltd. as the Legal Officer during October 1998, she was heading the Centralized Legal Department. She has been holding the office of the Company Secretary since April 01, 2015.

She also heads Board Secretariat Department apart from being the Compliance Officer, she is the Nodal Officer for IEPF and Investor Compliances.

# Core Team

Standing Left to Right: Sikhin Tanu Shaw, Arun Balamani, P S Mallya, S Mohanakrishnan, Subodh Kumar, Vasudha, Prashanth Shenoy, A K Singh, B M Sudhakar, Arun Kumar V, Prakash Shanbhogue & Ajay Kumar Shettar

**Sitting Left to Right:** Veena G Kamath, Amitabh Chatterjee, Girish Kousgi, Shamila M

# Management Discussion and Analysis

## Indian Economic Review

The Indian GDP grew by 8.7% in the fiscal 2021-22. This has been a strong GDP growth post the contraction of 7.3% in 2020. The country's strong recovery was driven by the Government's immediate action to curtail the crisis, a widespread vaccination coverage and a robust industrial output.

Significant indicators like the mobility index, direct tax receipts etc reflected the positive levels of economic growth. The ability of exporters to benefit from good external conditions also contributed to the acceleration of the recovery.

India also saw a major rise in consumption. Due to the economy's earlier-than-expected return to normalcy, private spending witnessed a significant increase. The same provided a boost for higher capex expenditure and investment outlays for infrastructure development.

Despite a strong rebound, inflationary pressures persisted throughout the year. The geopolitical conflict in Europe in the fourth quarter aggravated the already soaring inflation in the country. While, earlier in 2021-22, inflationary pressures were mostly brought on by food and to a lesser extent by the core (which excludes fuel and food), fuel became the new inflation driver in fiscal 2022 as a result of the escalating oil prices.

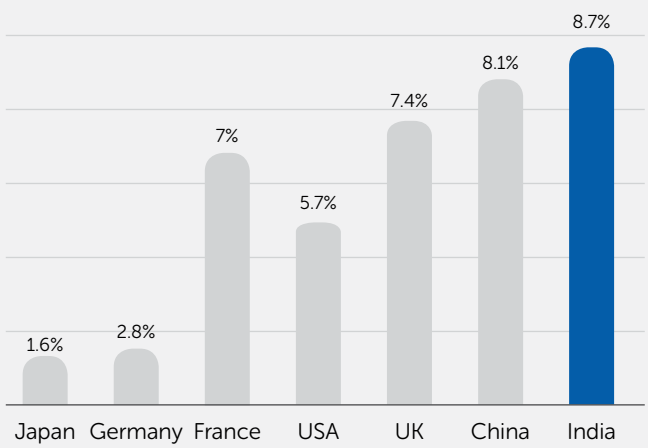
**Outlook**

The macro economic stability indicators driven by strong domestic consumption, suggest that the Indian Economy is well placed to take on the challenges of 2022-23.

As per IMF's latest World Economic Outlook projections, India's real GDP was projected to grow at 9 percent in 2021-22, 2022-23 and at 7.1 percent in 2023-2024, which would make India the fastest growing major economy in the world for all 3 years. However, the Indian economy grew by 8.70% in 2021-22 subsequent to a contraction of 7.3 percent in 2020-21 and the GDP projected to grow by 8- 8.5 percent in real terms in 2022-23.

The current year is poised for a pickup in private sector investment with the financial system in good position to provide support for economy's revival after the upheaval in the last 2 years on account of Covid.

**Annual GDP Growth rate**




Source- IMF Projections

## Indian Housing Review

Despite the continued cyclical upswings and downswings of the pandemic, real estate showed resilience with visible signs of remarkable recovery. This was attributed to the revival in economic activity coupled with a low mortgage rate regime and a continued policy push by the government.

The pandemic in fact turned to be a supporting factor driving the housing demand. During the fiscal, the demand for residential real estate, particularly in India's top cities rose in tandem with the pandemic. This was because the pandemic and subsequent lockdowns led to a strong desire among people to own a house. People who already owned homes also wanted to move to more spacious houses to accommodate the work space since the pandemic. Additionally, it served as a reminder that one's home is the safest place during trying times.

The residential market gained strong momentum in the second quarter of the fiscal 2021-22 and showed sustained recovery throughout the year. The festive season in the third quarter particularly brought a further boost to the industry. In the fourth quarter, despite the occurrence of the Omicron variant, the residential market stayed resilient with sales reaching record highs.

### Outlook

Demand for housing will continue to increase due to the rising preference for larger homes, better amenities, and competitive pricing. Increasing affordability is encouraging real estate developers to provide a wide array of choices at attractive prices. Moreover, as government-backed subsidy programs fuelled the enthusiasm of home buyers, the pent up demand on account of the pandemic has helped decrease the inventory levels and benefitted the developers.

Among a number of opportunities, financial stress continues to be a significant factor for developers across residential markets. However, consistent improvement in the sale of homes will provide them the ability to weather the increase in costs of critical inputs like cement and steel. Notably housing demand is anticipated to grow by 5-10% in 2022-23, on the basis of favourable demographics and urbanization.

### Housing Finance

The HFCs showed resilience in the fiscal 2021-22 despite the impact of the pandemic.

The housing finance industry experienced robust demand during the fiscal 2021-22 which was in line with the increase in demand for housing. While the COVID-19 effect was felt on disbursements in Q1 FY 2022, resurgence of demand was visible post the first quarter. Measures taken by the government and the public at large were responsible for combating the effects of Covid-19, due to which there was a revival in the economy, earlier than anticipated. This made people more confident to take big investment decisions like buying a house. The improved customer sentiment therefore remained on the rise post the opening up of markets.

### Outlook for HFCs

As per ICRA, the loan books for affordable housing finance companies will grow by 17-20% in FY2023, driven by factors like a sizably untapped market, a favourable demographic profile, government confidence in housing and a favourable regulatory/ tax regime. Moreover, in the next five years the home loan market is anticipated to double its home loans.

## Growth drivers for Housing

### Infrastructure development

One of the main forces behind the rise of the real estate market is sound infrastructure. . Improved connectivity via railways, air, roads and proximity to medical facilities, educational institutions, entertainment hubs, retail market, business centers, schools, retail outlets etc. impact real estate prices as these are the most preferred aspects for a buyer to choose a property. With the government focused on pushing infrastructure reforms, and a pro infrastructure budget for 2022-23, the realty sector can anticipate a boost in quality housing demand.

### Affordable Housing

Housing demand has been steadily rising due to a growing population, and it is anticipated to continue rising. Earlier the emphasis was on mid segment housing, but now the concentration is gradually turning to affordable housing in Tier 1, Tier 2, Tier 3 and Tier 4. This will facilitate customers in the low and middle income groups as well as the developers.

### Increasing work from home culture

In metro cities, because of the work from home culture prevailing post the Pandemic, home buyers are seeking to not only move into their own homes but also consider bigger houses to accommodate their office space. To meet their growing needs, there is a trend of shifting to larger homes in bigger cities.

### Rapid Urbanisation

The demand for housing in cities is being determined by rapid urbanisation and the ensuing demographic shifts. By 2036, 39 percent of Indians are anticipated to reside in cities which will in turn drive the housing sector.

### Government initiatives

Focus on bringing transparency in the real estate business and creating affordable homes for all will be essential in giving this sector a much-needed boost.

Urban planning has taken a centre stage. A high-level committee for urban planners and institutes will be framing policies for development. By assisting the transformation of Tier 1, Tier 2, Tier 3 and Tier 4 cities, this will stimulate the residential real estate market.

To make the market more accessible to small and retail investors, the Securities and Exchange Board of India reduced the minimum application value for Real Estate Investment Trusts from ₹ 50,000 to ₹ 10,000-15,000 in 2021.

## Company overview

Can Fin Homes Ltd. (CFHL), is one of the reputed HFCs, providing loans for individuals. It also offers non-housing loans including mortgage loans, site loans, loans for commercial properties, loan against rent receivables, top up loans and personal loans. Can Fin Homes is one of the few approved institutions which accepts deposits from the Public.

Can Fin Homes Ltd. has 201 branches spread over 21 States and Union Territories. The Company offers Housing Loans and Mortgage Loans at competitive interest rates both to Salaried and Self-employed category of borrowers, designed to cater to their individual needs.

The Company's focus has mainly been on Housing Loans to individuals with 90 % of loan book comprising Housing Loans and 10 % for Non-Housing. Most of the borrowers are first time home buyers with an average age of 35 years. In order to uphold its objectives of encouraging home ownership and enhance

[1] https://economictimes.indiatimes.com/industry/services/property-/-cstruction/housing-demand-to-stay-firm-in-spite-of-rising-prices-interest-rates-report/articleshow/91460831.cms?from=mdr

housing stock in the country, the Company focuses on affordable and mid-segment to reach out to a larger cross section of home aspirants. The average ticket size of the loan is ₹ 21 lakhs in respect of housing Loans and ₹ 9 lakhs for non-housing loans.

The Company's focus on affordable and mid segment will remain, enabling quicker growth, increased ticket size, reduced risk and garner higher market share.

Incessant efforts brought down cost of funds to 5.56% through negotiations with Banks for repricing term loans and working capital limits. Cost effective funds were also mobilised through market borrowings and refinance facility from National Housing Bank. The Company has shown its ability to build business at higher yields with specific products/geography. With one of the lowest cost of funds, the Company's efforts for raising cost effective funds will be ongoing.

Company's preference for salaried profile will continue in order to maintain healthy asset quality. Self employed will be sourced from safe geographies and with better credit profiles.

Throughout the year, the Company has been maintaining adequate liquidity position which has enabled it to raise funds at competitive rates.

The Company has a plethora of products, focusing on diverse customer requirements. It caters to both the housing and non-housing segment by offering attractive, competitive rates of interest.

The Company is led by knowledgeable, experienced professionals well versed in all aspects of banking and housing finance. It has distinguished individuals on its Board. Its branch offices are staffed by competent, effective and trained personnel to support the Company, source and process quality loans, maintain internal control and deliver excellent customer service.

Can Fin has a strong, purposeful governance framework and efficient operating procedures. The company constantly strives to improve its TAT (turn-around time) for the customers and provide good service and guidance to abide by our motto of Friendship Finance. Customer satisfaction is paramount for onboarding new clients and increasing business.

A healthy Asset quality is one of the instrumental factors for the Company's growth and reliability since it directly impacts provisioning, profitability, net worth and CRAR. It has prudent credit underwriting practices and has a robust to monitor branch operations and assess risk build up, if any.

Technological and Digitalization measures are periodically reviewed and enhanced as per requirements.

The Centralized Processing Centre has standardised decision making which increases productivity and TAT. The well-established branch model works well for the Company wherein Branch Manager is responsible for business, collections and customer service.

## A synopsis of the Company's SWOT is provided below

### Strengths

- Ability to increase yields while building a business
- Ability to raise money at low cost
- Large branch network with a broad geographic reach.
- Our diverse lending profile
- Branch model wherein BM is responsible for business, collections and customer service
- Strengthened capital position
- Sponsored by a powerful and well-known PSB

### Challenges

- Changing market conditions
- Increased operational expenditure
- Keeping abreast with swiftly changing technology

### Opportunities

- Increasing demand for housing
- Increased affordability
- Initiatives of the Central Government
- Rising demand in suburban, Tier-II and Tier-III cities

### Threats

- Unpredictable real estate sector
- Disruptions in supply chain
- Rapidly changing market trends

**Business Segment Overview**

Over the past 34 years of its existence, Can Fin has gained a good reputation across the country as a reliable HFC. Can Fin Homes performed exceedingly well in FY22 despite the second wave of Covid-19. The Company's broad selection of loan products under Housing and Non-Housing category are suitable for meeting the various needs of a wide spectrum of customers. In a fiscal year that was mostly dominated by the Pandemic, necessary steps were taken to strengthen the Company.

The Company's primary focus was on retail house loans in the LIG and MIG spaces.. During FY22, the Company's Loan Book Portfolio stood at ₹ 26,711 Cr as against ₹ 22,105 Cr. In comparison to the previous year's total of ₹ 4,631 Cr, the loans approvals figure was ₹ 8,896 Cr. The Disbursements totalled ₹ 8,279 Cr in FY22, as compared to ₹ 4332 Cr in FY21.

The Company's Product Basket includes Individual Housing Loans, Site Loans, Composite Loans (Purchase of Site and Construction), Personal Loans, Mortgage Loans, Loans against Rent Receivables (LRR), Loans for Commercial Properties (LCP), Flexi LAP, Commercial Housing Loan, Loan on Deposit, Special Urban Housing Refinance Scheme – Direct, Special Urban Housing Scheme- Indirect, CFHL Top Up Loan (235), CFHL Nishchint -Loan for Pensioners, Flats under construction etc.

**Lending mix**

90% of the Loan Book is made up of Housing Loans, and 10% is made up of Non-Housing Loans, of which 75% loans are for Salaried People and 25% for Self Employed.

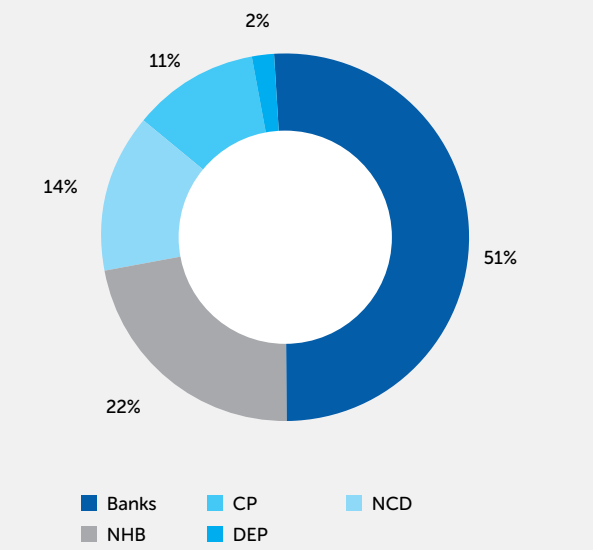
**Deposit Schemes**

As per the rules of the National Housing Bank (NHB) and Reserve Bank of India (RBI), Can Fin is one of the few institutions permitted to accept Fixed and Cumulative Deposits from the Public. Fixed and Cumulative deposits are the two types of deposits accepted. Senior Citizens are entitled to an additional ROI of 0.50% over the card rates. For fixed deposit schemes, the minimum deposit amount is ₹ 2 Lakh, with options for quarterly, half-yearly, and annual interest payments, and ₹ 10 Lakh for monthly interest payments. The minimum deposit amount for the cumulative scheme is ₹ 20,000. In this case both the principal and interest are paid upon maturity.

**Funding Mix**

For the purpose of supporting its lending, CFHL obtains term loans, credit lines from banks, refinance from the National Housing Bank and money market instruments such as non-convertible debentures (NCDs) and commercial papers (CPs) from the retail market. The borrowings of the company as of March 31, 2022, stood at ₹ 24647.67 Cr.

**Funding Mix @Mar 2022 (as %):**




The Company has always ensured comfortable liquidity levels by following a prudent financial strategy which includes a careful and optimal mix of funding sources. The effectiveness of the cost of funding is regularly assessed, and it is seen that cost has steadily decreased in the last FY. The market liquidity crunch did not adversely affect the Company.

**Ratings**

| Borrowings | CARE | ICRA | IND |
|---|---|---|---|
| Term Loans (Long Term Loan) | AAA/Stable | AA+ | AA+/Stable |
| Term Loans (Short Term Loan) | - | A1+ | - |
| Commercial Papers (CPs) | A1+ | A1+ | A1+ |
| Non-Convertible Debentures (NCDs) | AAA/Stable | AA+/Stable | AA+/Stable |
| Public Deposits | - | ICRA AA+/Stable | - |

## Risk and concerns

As risk is an integral part of business, CFHL manages various risks like Credit Risk, Operational Risk, Market Risk and Liquidity Risk prudently with the help of standard procedures, systems and guidelines

**Credit Risk :**

Credit Risk arises on account of default in payment of instalments and is inherent in any lending activity.

**Mitigation :**

Credit Risk is managed by sound credit norms and a pragmatic credit policy. All new proposals undergo the Credit Appraisal Process which involves a comprehensive Credit Risk assessment standardized procedure for an in-depth analysis of related subjective and objective information of each borrower for correctly gauging their individual creditworthiness. This is most essential for lending. The Company uses various credit assessment agencies like the Credit Information Bureau of India Limited (CIBIL), Experian etc., the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) to assess the potential risk of a new borrower.

Apart from the check while onboarding a borrower, the Risk Management Policy mandates the periodic assessment of the existing borrowers creditworthiness during the annual resetting of interest. The Offsite Transaction Monitoring System (OTMS), which is an internal monitoring mechanism, provides the necessary inputs and information regularly for corrective action on time.

Review of SMA Accounts is a continuous process for maintaining asset quality.

## Market Risk and Interest Rate Risk:

External factors such as inflation, deflation, demand, supply dynamics are responsible for this type of risk and are not within the control of the Company. Due to negative trend in market prices, risks like funding risk, liquidity risk and interest rate risk arise.

**Mitigation:**

All loans availed after April 01, 2017 are subject to annual reset of interest rates. A proper mix of short term and long term debt is an intrinsic part of our borrowing policy along with fixed and floating rate instruments. Rate sensitive assets which can be re-priced, takes care of Interest rate fluctuations.

## Liquidity Risk:

Insufficient funds to meet liabilities constitutes Liquidity Risk. Market liquidity conditions govern this risk of not getting adequate funds when required.

**Mitigation:**

Asset-liability management tolerance levels are keenly watched, as a practical risk mitigation measure. CFHL keeps its borrowing options open and raises funds from different sources like NHB, Banks, NCDs, CPs and Deposits. This enables obtention of funds at lowest possible rates and strengthens liquidity management. ALCO committee at RO reviews its funds requirement regularly. The Company is thus able to have a sound liquidity position.

## Covid – 19

Covid-19 has been a major game changer for business, globally. Loss of lives, jobs, income are the consequences of the pandemic and the entire world is still grappling with many issues in the aftermath of this scourge.

In India, the impact of the second wave was for a shorter period and comparatively lesser. Functioning of various economic sectors improved in the second half of the fiscal.

**Mitigation:**

The Covid-19 appropriate behavior continues to be followed by all employees of the Company.

On the lending front, CFHL has exercised abundant caution in order to safeguard the borrowers, maintain the balance required and reduce the adverse impact.

On the liquidity front, the available credit lines sanctioned to us by various institutions have helped us to overcome the difficult situation.

On the collections front, CFHL has followed and applied the moratorium guidelines issued by RBI, wherever applicable.

## Asset Liability Management

The Asset Liability Committee (ALCO) has operational control over the balance sheet and asset liability mismatches. ALCO evaluates cash flows over several time periods to determine the behaviour of assets, liabilities, and off-balance sheet items. ALCO avoids inconsistencies between funding sources and uses. With restrictions specified for interest rate sensitivity and liquidity mismatch, ALCO enables efficient operations while adhering to the review procedures and parameters outlined by the National Housing Bank/RBI. According to the Board-approved Policy on Borrowings, the competent authority takes an unanimous decision on the Company's borrowings.

The Company's financials are frequently reviewed by the Risk Management Committee, Audit Committee, and Board of Directors.

**Internal audit**

Internal Control for operational effectiveness, efficiency, reliable financial reporting and compliance with laws, regulations and policies, is taken care of by the Internal Audit system.

The Risk Based Internal Audit team (RBIA) was further strengthened to intensify the thrust on evaluation of branches and ensure that the functioning is in consonance with the carefully formulated and well documented policies of the Company, plug loopholes and improve customer service, which is the mainstay in an organization like ours. Details of audit reports provided by the Risk Based Internal Audit (RBIA) inspection, NHB/RBI, Sponsor Bank as well as the internal and external Auditors of branches are placed before the Audit Committee of the Board for review. The reports of standalone "Application audit of IT systems" by the IT auditors and special audits for evaluating the 'efficiency' of existing internal control systems are reviewed by the Audit Committee as well as the IT Strategy Committee, periodically. The operations and performance of the audit department are reviewed by the Audit Committee.

The Board of Directors scrutinizes and reviews the risk profile of the Company, KYC/AML compliances, legal compliance report, ALM at quarterly intervals and compliance of fair practice code, and customer complaints at periodical intervals as per the regulatory guidelines. The critical analysis/review of the various policies of the Company is done by the various Committees prior to approval by the Board.

**Asset quality**

Asset Quality is one of the most crucial aspects of an organization, which determines its financial soundness and health.

The Loan Assets of CFHL are administered by the Management with significant time, energy and resources, spent on the same. The critical aspect of reviewing a loan portfolio with regard to borrower default under contractual agreements of payment is undertaken with focus and due diligence. The factors responsible for default are reviewed within the context of any local and regional conditions that adversely affect the Company performance. The adequacy of loan appraisal standards, risk identification practices, reasons resulting in NPAs, existence of asset concentration, timely identification of delinquency and collections, adequacy of internal controls and MIS, the nature of credit documentation are all meticulously verified at various levels for initiating proper and timely action.

The Company has a robust recovery mechanism to contain NPAs, supported by SARFAESI Act. Relentless follow-up both at the branch and Central level, significantly improves collection figures.

As of March 31, 2022, the Gross NPA stood at ₹ 170.59 Cr (0.64%) as against ₹ 201.91 Cr (0.91%) during the previous year.

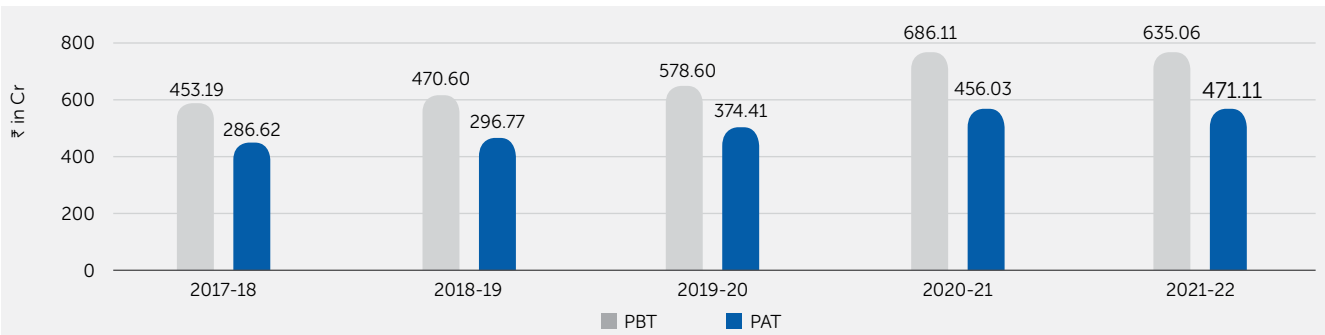
**Provision for loans**

Being a housing finance company, the guidelines given by the National Housing Bank (NHB)/RBI regarding Prudential Norms on Asset Classification and provisioning requirements have to be followed. The Company provides for impairment of financial assets on the basis of the Expected Credit Loss Model or the Prudential norms of NHB / RBI whichever is higher.

## Financial performance

(Figures in ₹ Cr)

| Particulars | FY22 | FY21 | Change |
|---|---|---|---|
| Revenue | 1,988.50 | 2,018.43 | -29.93 |
| EBITDA | 1,798.37 | 1,835.48 | -37.11 |
| EBIT | 1,788.56 | 1,825.91 | -37.35 |
| PAT | 471.11 | 456.06 | 15.05 |
| EPS (in ₹) | 35.38 | 34.25 | 1.13 |

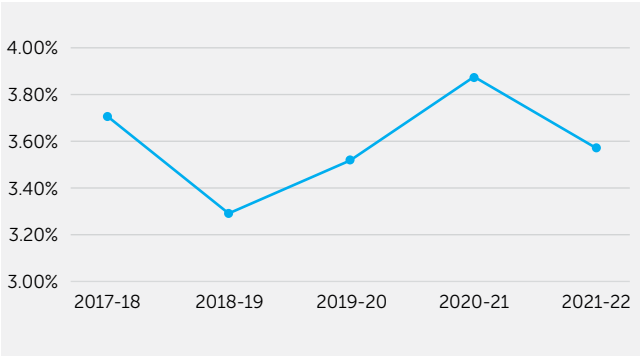


**Financial ratios**

| Ratio | FY22 | FY21 | Change |
|---|---|---|---|
| Interest coverage ratio | 1.55 | 1.51 | 0.04 |
| Debt equity ratio | 8.04 | 7.39 | 0.65 |
| Operating profit margin (%) | 34.30 | 33.99 | 0.31 |
| Net profit margin (%) | 23.68 | 22.59 | 1.09 |

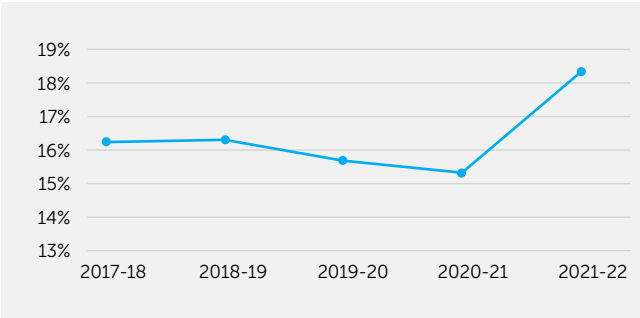
## Net Interest Margin

Net interest margin for FY 22 was 3.57% as compared to 3.88% in the previous year.



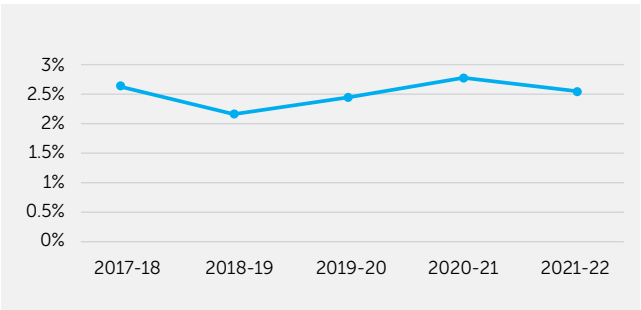

## Cost to income ratio

The Company's cost to income ratio was 18.32 percent in FY22 as against 15.31 percent in FY21. Efforts are on to reduce the same in the current FY.




## Interest Spread

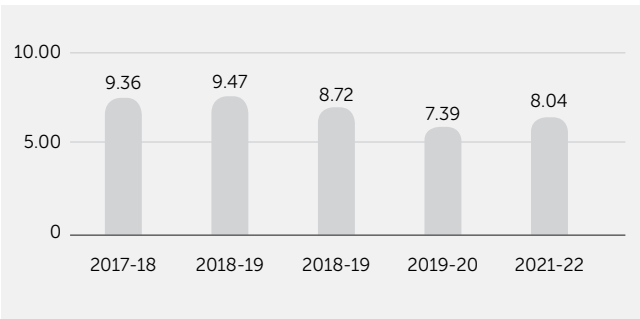
In FY22, the average yield on loan assets was 8.11% per annum as compared to 9.49% in FY21. The average cost of funds decreased from 6.71% to 5.56% annually. In comparison to the prior year, the margin on loans above the cost of borrowings for FY22 was 2.55% pa against 2.78% in FY21




## CAR & DER

As of March 31, 2022, the Company's Capital Adequacy Ratio was 23.3 percent, which was much higher than the regulation requirement of 15 percent. The Company is permitted to borrow 12 times its Net Owned Funds under regulatory guidelines. As of March 31, 2022, the leverage ratio was 8.04, providing enough room for borrowing.

**Debt Equity Ratio**



## Human Capital

CFHL's management, employees and workers form the Company's workforce. They are our intangible assets and the Company's performance is heavily dependent on their knowledge, competency aptitude and efforts. Our employees comprise a good mix of confident, energetic and enthusiastic youngsters on one hand and several mature, experienced and perceptive seniors on the other hand.

'Excellence is not being the best, but doing your best". Can Fin abides by this philosophy and lays adequate emphasis on the professional and personal welfare of the staff. Continuous learning is stressed upon in the human resource policy to meet the expectations of the management and to fructify the ambition and aspirations of employees. Several orientation and training programmes are conducted to motivate the staff and help improve efficiency and job proficiency. Several staff welfare measures are implemented to take care of employee interests, which in turn improve productivity.

Employee loyalty and retention are important factors for progress. To attract, hire and have the best available talent, the Company provides equal employment opportunities and the best working conditions.

The Company recruitment strategy is to hire skilful people with right and positive attitude. Attrition levels are low, reflecting a fairly good job satisfaction index.

As of March 31, 2022, the total employee strength of the company stood at 909.

## IT and security

The Company is accountable for ensuring the safety and security of its data, which is paramount for business. It is imperative to protect its core information data and IT infrastructure from cyber threats. In order to safeguard the confidentiality of corporate information at all levels, our IT & IT Security policy, Cyber Security Policy, and Cyber Crisis Management plan provide specific instructions.

The Business Continuity Plan made sure that crucial business operations continued to run smoothly during the shutdown. The Company periodically conducts penetration testing and vulnerability assessments to evaluate and enhance the control measures put in place.

A core banking platform (Integrated Business Suite) links the operations of every branch with the Registered Office.

## Segment wise Reporting

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

## Related Party Transactions

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

## Corporate Social Responsibility

The Company has given importance to Health Care, promoting education including special education for tribal students, Construction of class room blocks for Government schools, construction of girls Hostel, providing Stationeries and furniture to Government schools, setting up of Mini Science Labs (TINKER Labs), Vocational training, Skill enhancement programmes, renovation of Anganawadis, Scholarships for under privileged and girl child education. Company has also contributed for welfare measures by providing amenities for old age homes, orphanages and centres for residential homes have been constructed for accomodating homeless, displaced people and differently abled. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) during COVID-19 pandemic to provide relief to those affected by any kind of emergency or distress situation like COVID-19 also forms part of its CSR activities. During COVID-19 Company has contributed towards setting up of Covid Care Centre and Vaccination for General Public.

In FY 22, the Company funded 79 projects, covering 1,06,157 beneficiaries. The total amount sanctioned during FY 22 was ₹ 10.70 Cr. For details please refer Annexure - 2 of Report of Directors.

## Prospects and Plans of the Company

The demand potential driven by rising population and increasing urbanization along with shifting preferences for consumers in the post lockdown environment, will continue to sustain in the near term. The revival of the economy augurs well for the housing sector. The Government push towards affordable housing will further propel growth in the housing segment.

The Company is keenly poised to cater to the increased demand for housing across the country, especially in the Tier-II and Tier-III cities.

In consonance with our twin objects of providing home finance and increasing housing stock in the country, lending for individuals in the salaried sector will continue to be a priority and will be actively pursued. Thrust on Non-Housing loans in safe geographies will also be given to improve margins.

The Company will strive to capitalize on the boom in the housing sector to increase volumes, which in turn will enhance its business performance in the current fiscal.

Cost reduction efforts and measures will continue unabated. The motivated workforce is eager to provide exemplary service, which is a decisive factor in drawing more clients.

The Company will continue to chart the path forward by focusing on the 4 pillars of growth, profitability, asset quality and liquidity and pursue its goals to augment housing and also cater to the interests of all its stake holders.

**Cautionary statement**

This document contains statements about expected future events, financial and operating results of Can Fin Homes, which are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Can Fin Homes Annual Report, 2021-22.

For and on behalf of the Board of Directors

Sd/-

Place: Bengaluru
Date : August 04, 2022

**L V Prabhakar**
Chairman

# Report of Directors

## 1. FINANCIAL RESULTS

The financial performance for the FY 2021-22 is summarised here below:

(₹ in Lakh)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Profit before Tax & Provisions | 68,200.01 | 68,611.18 |
| Less: Impairment on financial instruments | 4,694.22 | 6,853.17 |
| **Profit before Tax** | **63,505.79** | **61,758.02** |
| Less: Tax expenses: | | |
| (a) Provision for Tax - Current Year | 17,039.02 | 17,163.72 |
| - Previous Year | (446.20) | 143.50 |
| (b) Deferred Taxation | (197.54) | (1,155.23) |
| **Profit after Tax** | **47,110.51** | **45,606.03** |
| Add: Other Comprehensive Income | | |
| A. Items that will not be reclassified to profit or loss | | |
| (i) Actuarial (Gain )/ loss | (117.72) | (3.92) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 29.63 | 0.99 |
| B. Items that will be reclassified to profit or loss | | |
| (i) Income tax relating to items that will be reclassified to profit or loss | 0.00 | 0.00 |
| Other Comprehensive Income | 88.09 | (2.93) |
| **Total Comprehensive Income for the period** | **47,022.42** | **45,603.10** |
| Balance brought forward from previous year | 25,770.70 | 13,126.55 |
| | **72,793.12** | **58,729.64** |
| Appropriations: | | |
| Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961 | 13,188.88 | 12,054.62 |
| Transfer to General Reserve | 9,404.48 | 9,120.62 |
| Additional Reserve (u/s.29C of the NHB Act) | 9,404.48 | 9,120.62 |
| Dividend (including interim dividend for FY22) | 4,660.39 | 2,663.08 |
| Tax on Distributed Profits | 0.00 | 0.00 |
| Balance carried forward to balance sheet | 36,134.88 | 25,770.70 |
| | **72,793.12** | **58,729.64** |

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

(ii) The interim dividend of ₹ 1.50 per equity share of face value of ₹ 2/- each paid by the Company during December 2021 has been accounted.

(iii) The proposed final dividend of ₹ 1.50 per equity share is not recognised as liability in the annual accounts as at March 31, 2022 (in compliance with IND AS 10 events after the reporting period). The same will be considered as liability on approval of shareholders at the 35th Annual General Meeting.

## 2. SHAREHOLDERS WEALTH

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Earnings Per Share (EPS) (₹) | 35.38 | 34.25 |
| Dividend Rate | 150% | 100% |
| Market Price of shares (₹) | 631.45 | 613.75 |
| Market Capitalisation (₹ in Cr) | 8,408.02 | 8,172.33 |

## 3. BUSINESS PERFORMANCE HIGHLIGHTS

The Company has performed well in the FY 2021-22 under all parameters, despite the second wave of Covid-19, adversely impacting Q1, but for which, the performance would have been even better. The Sanctions and Disbursements touched an all time high in the history of the Company during each of the quarters in September 2021, December 2021 and March 2022. In other words, the Company bettered its performance quarter on quarter and as a result, the Sanctions and Disbursement figures were highest in March 2022 quarter surpassing the previous highest in the December 2021 and September 2021 quarters.

### a) Sanctions

The Company sanctioned loans amounting to ₹ 3,018 Cr in March 2022 quarter as against ₹ 2,762 Cr in the same quarter of the previous year. During the year, the Company has sanctioned loans amounting to ₹ 8,896 Cr as compared to ₹ 4,631 Cr in the previous year. Since inception, the cumulative loan sanctions of your Company stood at ₹ 57,498 Cr at the end of the FY22. Average ticket size of incremental housing loans and non-housing loans are ₹ 21.24 Lakh and ₹ 8.66 Lakh, respectively.

### b) Disbursements

Disbursements during Q4 FY 22 amounted to ₹ 2,704 Cr which is the highest ever in any single quarter, in comparison to ₹ 2,472 Cr during Q4 FY 21.

During the year, the Company has disbursed loans amounting to ₹ 8,278 Cr as compared to ₹ 4,331 Cr in the previous year. The cumulative loan disbursements from inception to the end of the FY22 is ₹ 51,859 Cr.

### c) Loans outstanding (Loan Book)

The total loan book as at March 31, 2022 was ₹ 26,711 Cr, recording a growth of around 21% over last year (previous year ₹ 22,105 Cr). At a portfolio level, housing loans constitute 90%, non housing loans comprise 10%.

### d) Non-Performing Asset (NPA)

The Gross NPA of your Company as on March 31, 2022 was ₹ 170.59 Cr (previous year ₹ 201.91 Cr). The net NPA as on March 31, 2022 was ₹ 80.71 Cr. The gross NPA percentage as on March 31, 2022 stood at 0.64% compared to 0.91% as on March 31, 2021.

### e) Profits

Your Directors are happy to inform that during the year under review, despite the constraints induced by the Pandemic, your Company recorded an Operating Profit of ₹ 682.00 Cr (previous year ₹ 686.11 Cr), Profit Before Tax (PBT) of ₹ 635.06 Cr (previous year ₹ 617.58 Cr) and Profit After Tax (PAT) of ₹ 471.11 Cr (previous year ₹ 456.06 Cr).

During the year, Company has made provisions for standard assets amounting to ₹ 34.45 Cr (before reversal of ₹ 12.61 Cr of excess provision held as per RBI circular on Covid-19 regulatory package). Out of ₹ 34.45 Cr, an amount of ₹ 15 Cr has been kept as an additional provision for standard assets. Provision for standard assets was ₹ 22.29 Cr during the previous year.

Provision was made for Non-performing assets amounting to ₹ 22.29 Cr (previous year ₹ 22.27 Cr). Provision as per Resolution Framework – 2.0 for COVID-19-related Stress amounting to ₹ 3.09 Cr (in addition to the provision held in the books under RBI COVID-19 Regulatory Package as at March 31, 2021 utilised for the for provision under resolution framework – 2.0 in terms of the RBI guidelines of ₹ 57.23 Cr). Provisions for Tax Expenses (including Deferred Tax) amounting to 163.95 Cr (previous year 161.52 Cr) was made.

### f) Reserves

For reserves during the year, please refer statement of changes in equity for the period ended March 31, 2022 forming part of Financial Statements 2022.

### g) Dividend

Your Company has a consistent track record of dividend payments. Your Directors, after giving due consideration to Capital Adequacy requirements, deferred tax liability, uncertainty on account of Covid-19, its impact on financial markets, the resultant impact on the Company and the Dividend Distribution Policy, are happy to recommend a dividend of ₹ 1.50 per equity share (75%), for the financial year ended March 31, 2022, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The Board of Directors at their meeting held on December 14, 2021 had declared and paid the Interim dividend of ₹ 1.50 per share for equity share of face value of ₹ 2/- each.

The amount of dividend recommended for payment for the year under review is ₹ 19.97 Cr. As per section 194 of Income Tax Act, a Company is required to deduct TDS @ 10% on dividend payment if it exceeds ₹5,000/. However, no TDS shall be deducted in the case of dividend payment to any Insurance Company and Mutual Funds specified u/s 10(23D) of Income Tax Act. Moreover, as per section 195 of the Act, TDS is required to be deducted @ 20% plus surcharge on payment of Dividend to Non-Residents. The Dividend Distribution Policy as required under regulation 43A of SEBI (LODR) Regulations, 2015, is available on the website of the Company (web link https://www.canfinhomes.com/pdf/Dividend-Distribution-Policy-2021-22.pdf).

## 4. EXPANSION OF BRANCH NETWORK

Your Company has been continuously expanding its network of branches.

During the last two years on account of restrictions imposed by the pandemic, only 4 new branches were opened and Yeshwanthpur (Bengaluru) Satellite office got upgraded as a branch. As at the end of FY22, your Company has an expanded network of 200 branches spread across 21 states comprising 187 branches and 13 Satellite Offices.

## 5. TECHNOLOGY INITIATIVES

All the branches and the Registered Office are connected through a core-banking platform (Integrated Business Suite) with Cloud compute services. The Company has implemented Multiprotocol Label Switching (MPLS) links for a higher bandwidth, security and dedicated uptime.

In order to improve operational efficiency, your Company has implemented Central Know Your Customer (CKYC) and web-based Application software for Inspection & Audit. The website of your Company is interactive and user friendly.

Your Company has digital meetings platform for Board and Committee meetings which is paperless, secure, efficient and cost effective. Further, the Company has also digital platform for the tracking of Unpublished Price Sensitive Information (UPSI), in place.

Your Company is useing the Video Conferencing facility for Board meetings, review meetings with branches, clusters and interviews for recruitments etc.

Digitalization measures enabled your Company to connect and engage with Customers for business and collections.

Thrust on cyber security was given and all employees are regularly informed about security awareness and the do's and don'ts to safeguard the information assets of the Company.

Business continuity plan is tested to address disruption risks in the event of an unforeseen situation and in the unprecedented lockdown this enabled us to continue operations smoothly.

Your Company is in the process of technology transformation by upgradation of digital technology & Core Banking System, aiming at improved efficiencies and increased revenue.

## 6. CUSTOMER-FRIENDLY INITIATIVES

True to its motto of 'Friendship Finance', the Company follows transparent, fair and impartial practices for customers in all branches across the country. Necessary information related to our Company, products, schemes and charges is made available in the website of the Company.

As per RBI Master Directions, the Fair Practices Code (FPC) and Most Important Terms and Conditions (MITC) are regularly updated and uploaded on the Company's website for ready reference of customers.

In the aftermath of the COVID-19 pandemic, required safety measures to safeguard the health and welfare of the customers like provision of sanitizers in all branches, wearing of masks, etc have been continued.

As a responsible Corporate entity, we have conducted Vaccination camps to inoculate and increase the immunity of the customers and the general public.

Our customers across the country have been provided with cotton bags by our branches, to discourage and discontinue the use of plastic which harms the ecosystem. Environment friendly measures like minimum use of paper is also continued with more emphasis on digital storage.

## 7. FINANCIAL RESOURCES

### a) Refinance from National Housing Bank (NHB)

Under the NHB refinance scheme, your Company has got fresh refinance sanction amounting to ₹ 2,200 Cr and availed ₹ 430 Cr under Special Refinance Assistance. Your company availed an amount of ₹ 2,700 Cr during the year out of unutilised balance of ₹ 500 cr which was sanctioned during the previous year and fresh sanction of ₹ 2,200 sanctioned during the year.

**b) Borrowings from Bank**

During the year, borrowings were diversified through a combination of short-term and long-term loans considering the asset liability management position to reap maximum benefit of interest rates. To diversify risks within banks, we had exposure from PSU/Private/NBFC. The aggregate bank borrowings (term loans plus overdraft) at the end of the financial year stood at ₹ 17,982 Cr; the overall borrowings are within regulatory ceiling of 12 times of net owned funds.

The overall cost of borrowings from banks was 5.56% p.a. as on March 31, 2022. During the year, the long-term 'rating' of the Company for term loans was [ICRA] AA+ (Stable), signifying high degree of safety regarding timely servicing of financial obligations.

**c) Debentures**

(i) Secured Non-Convertible Debentures

Debentures (SRNCD) raised during the year is ₹ 2,135 Cr (previous year was ₹ 275 Cr). The debentures are secured by way of a floating charge on the assets i.e., loan receivables specifically earmarked for the purpose in favour of the Debenture Trustees. Most of the investors in these debentures comprised major insurance companies, public sector banks, corporates, PF Trusts and investors of repute, indicating their perception of safety of your Company's fundamentals and prospects.

The tenure of the outstanding debentures is range bound from 36 months to 39 months. The interest on these debentures was serviced regularly. The aggregate borrowings by way of Secured NCDs as on March 31, 2022 was ₹ 3,260 Cr (previous year ₹ 1,298 Cr) while the overall cost was 7.23% p.a. The debentures were rated, CARE AAA' (Stable) by CARE Limited and '[ICRA] AA+(Stable)' by ICRA Limited, signifying high degree of safety regarding timely servicing of financial obligations and carrying very low credit risk. These debentures were listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited.

Your Company plans to raise Non - Convertible Debentures up to a maximum of ₹ 4,000 Cr subject to cost benefit and asset liability management requirements and subject to the approval of members at ensuing Annual General Meeting.

(ii) Unsecured Non-Convertible Debentures

During FY2014-15, your Company had issued 8.94% Unsecured Non-Convertible Debentures in the nature of Tier II Bonds aggregating ₹ 100 Cr for a tenure of 10 years. These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing Capital Adequacy Requirements. These Tier II Bonds were rated, Ind AA+/Stable' by India Rating & Research. Your Company has serviced the interest on the above debentures on the due date.

The Company is in compliance with the provisions of the Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 and RBI HFC Directions as applicable and has been regular in payment of principal and interest on the NCDs. Details of borrowings are provided in the notes to accounts.

The Company affirms that there has been no deviation or variation in the utilisation of proceeds of Non- Convertible debentures from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable. During the year there were no public issues.

The Company confirms that the non-convertible debentures which became due for redemption, have been paid in full and there are no unclaimed or unpaid non-convertible debentures as on date.

**d) Commercial Paper**

Your Company mobilises funds through Commercial Paper (CP) for leveraging cost of borrowing to the extent of undrawn Bank limits. The outstanding at the end of March 2022 was ₹ 2,795 Cr (previous year ₹ 3,594 Cr). The effective cost of funds raised through CP was 4.40% p.a. The CP issued by your Company was rated at the maximum [ICRA] A1+ rating by ICRA Ltd., and CARE A1+' by CARE Limited. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

The Company affirms that there has been no deviation or variation in the utilisation of proceeds of Commercial Papers, from the objects stated in the offer document.

**e) Deposits**

During the year, your Company accepted new deposits of ₹ 266.94 Cr (Previous year ₹ 368 Cr). The outstanding balance of deposits (including interest accrued, but not due) as of March 31, 2022 was ₹ 505 Cr (previous year ₹ 442 Cr). The rate of interest on public deposits ranged from 4.5% to 6.75% while the overall cost (average) of deposits was 6.84% p.a. as on March 31, 2022.

As on March 31, 2022, a sum of ₹ 13.93 Cr relating to 759 accounts of public deposits (₹ 11.88 Cr as on March 31, 2021 relating to 729 accounts) remained unclaimed/ overdue. Of this amount, a sum of ₹ 7.18 Cr relating to 129 accounts (previous year ₹ 6.87 Cr relating to 244 accounts) were claimed and renewed/settled up to May 31, 2022. Depositors were intimated regarding the maturity of deposits with a request to either renew or claim their deposits. Where the deposit remains unclaimed, reminder letters/SMS are sent to depositors periodically and follow up action is initiated through the concerned branch. Your Company has not defaulted in repayment of deposits or interest during the year. The Company has complied with the requirements under Chapter V of the Companies Act, 2013 to the extent applicable.

During the year, the deposit schemes of your Company have been rated 'ICRA AA+' Stable, by ICRA Ltd., indicating 'highest credit-quality' and that the rated deposit programme carried the lowest credit risk. Your Company, being a Housing Finance Company registered with National Housing Bank (NHB), has complied with the Directions/ Guidelines issued by the NHB and RBI with regard to deposit acceptance and renewal. Your Company is exempted from the applicability of the Companies (Acceptance of Deposits) Rules 2014.

**f) Mortgage-backed securities**

Your Company did not opt for securitisation during the year under review. There were no securitised assets outstanding as on March 31, 2022.

## 8. REGULATORY COMPLIANCES

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

The Reserve Bank of India (RBI) on February 17, 2021 issued the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (RBI HFC Directions). These directions came into force with immediate effect. As mentioned in the notification, RBI has issued the subject Regulations to all Housing Finance Companies (HFCs), considering it necessary in the public interest, and being satisfied that, for the purpose of enabling the Bank to regulate the financial system.

Your Company has complied with the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. Your Company has adhered to all the guidelines and circulars issued by RBI on asset classification of credit/ investments, credit rating, acceptance of deposits, Fair Practices Code (FPC), Most Important Terms and Conditions (MITC), Customer Complaints Redressal Mechanism, Know Your Customer (KYC), Anti-Money Laundering (AML) Guidelines, Asset Liability Management, Capital Adequacy Ratio (CAR) norms, Information Technology frameworks, CERSAI, Implementation of Indian Accounting Standards (Ind AS), Appointment of Statutory Auditors, Guidelines on Reporting and Monitoring of Frauds in Housing Finance Companies and all other related instructions, guidelines and circulars issued by the RBI in letter and spirit with an explicit notification on the website of your Company, to the extent applicable.

During the year, RBI vide Circular dated November 12, 2021 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications', clarified certain regulatory guidelines to bring about uniformity in the implementation of IRACP norms. The guidelines included specification of due date / repayment date, classification of SMA & NPA, upgradation of accounts classified as NPA, etc. and your Company has complied with all the guidelines and have modified the Loan Agreement in tune with the Circular.

**Key changes in the regulations are detailed in the Management Discussion & Analysis report**

In terms of the Master Direction –Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021, Housing Finance Companies –Corporate Governance (NHB) Directions, 2016, the Company has attached the Related Party Transactions Policy at the end of this Annual Report.

During the year, the NHB conducted regular inspection of your Company in March 2022, for the position as at March 2021. The management discussions are completed and their report is awaited.

During 2021-22, NHB vide its letter dated June 11, 2021, had imposed a penalty of ₹ 29,13,234/- plus applicable GST @18%, for accepting individual deposits aggregating to ₹ 14,56,617/- from five small depositors for a period of less than 12 months during 2018–19, in contravention with provisions of Para 4 of the HFCs (NHB) Directions, 2010. The Company had replied to NHB that five deposits aggregating to ₹ 14,56,617/- (out of about 4000 deposits), were accepted in the year 2018–19 for a tenure of less than 12 months by three of its branches inadvertently. NHB has imposed a penalty of twice the amount of deposits collected, i.e., ₹ 29,13,234/-. The Company has remitted the amount and had preferred an appeal to NHB against

the levy of penalty. The Company has taken all necessary measures to strengthen the checks and controls to ensure that such incidents do not recur.

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

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

a) IRDA Compliance

The Company is registered with IRDAI for carrying on the Insurance Agency Business and has complied with the applicable compliances under Insurance Regulatory and Development Act, 1999 and IRDAI (Registration of Corporate Agent) Regulations 2015, as amended from time to time. The Company has in place a policy on maintenance of records and destruction of old records. Being an insurance intermediary, Company is maintaining all the required information as per IRDAI rules.

b) Other Compliances

The Company, on April 04, 2018 had obtained the Legal Entity Identifier No.335800EJ9Y3XDP5ZDH81 as required under the RBI Circular No.RBI/2017-18/82-DBR. No.BP.92/21.04.048/2017-18 dated November 02, 2017 and as advised by NHB. The same has been renewed for the year 2022-23.

As required under Section 215 of the Insolvency and Bankruptcy Code, 2016, the Company has registered itself with National e-governance Services Limited (NeSL) authorized by IBBI obtained registration No.9160743937431514312. Further, we have executed an agreement with NeSL on February 28, 2019. We are authenticating the request by our creditors on NeSL on regular basis.

The Company has registered on TReDS Platform through Receivables Exchange of India Limited (RXIL) vide registration No.CA0000876.

## 9. COMPLIANCE UNDER THE COMPANIES ACT, 2013

Your Company has complied with the requirements of the applicable provisions of the Companies Act, 2013 and related Rules during the FY 21-22. As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2021-22 is uploaded on the website of the Company and the same is available at 'Events' Page. The link for the same is canfinhomes.com/pdf/Events/35thAGM/MGT-7/FY202122.pdf. For more details regarding Compliances, please refer the Secretarial Audit Report enclosed to this Report as Annexure-1.

**Significant and material orders**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. The details of penalty levied by the Regulator NHB are provided in the Report on Corporate Governance.

There are no material changes and commitments affecting the financial position of the Company which have occurred after March 31, 2022 till the date of this report.

**CSR activity:**

The Company has given importance to Health Care, promoting education including special education for tribal students, Construction of class room blocks for Government schools, construction of girls Hostel, providing Stationeries and furniture to Government schools, setting up of Mini Science Labs (TINKER Labs), Vocational training, Skill enhancement programmes, renovation of Anganawadis, Scholarships for under privileged and girl child education. Company has also contributed for welfare measures by providing amenities for old age homes, orphanages and centres for residential homes have been constructed for accomodating homeless, displaced individuals and differently abled people. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) during COVID-19 pandemic to provide relief to those affected by any kind of emergency or distress situation like COVID-19 also forms part of its CSR activities. During COVID-19 Company has contributed towards setting up of Covid Care Centre and Vaccination for General Public. The Company also focused on animal welfare by providing Mobile van for treatment of injured animals, on Renewable energy by providing solar roof top panels, Solar Lights to village, conservation of natural resources by Installing RO water purification and Rejuvenation of Lakes.

The Company's CSR measures also give a thrust to healthcare and has provided advanced medical equipment and ambulances to Hospitals all over India. Other information relating to the particulars on spending in terms of the Corporate Social Responsibility Policy and reasons for not spending/carrying forward the balance amount, if any, during the current year are disclosed in a separate

report Annexure – 2 to the Report of Directors, forming part of this Annual Report.

The activities undertaken by the Company under CSR is Pan India basis and the projects are executed by Registered Office and our branches in those areas. The total amount/ budget under CSR for the FY 2021-22 was ₹ 10.70 Cr and undisbursed amount of Preceding years is ₹ 1.74 Cr. The total amount spent under the CSR activities in FY 2021-22 is ₹ 8.25 Cr (including ₹ 1.66 Cr of preceding years). The balance amount of ₹ 4.11 Cr which is already sanctioned in FY 2021-22 has been transferred to unspent CSR Account as per provisions of Companies Act and will be disbursed as per the progress of the work.

## 10. CAPITAL ADEQUACY

The Capital Adequacy Ratio (CAR) of your Company as at March 31, 2022 stood at 23.15% (previous year 25.46%) as against the Regulatory benchmark of 15% prescribed by the National Housing Bank (NHB) and RBI Master Direction. Impairment Reserve

## 11. DEPRECIATION

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

## 12. DEFERRED TAX ASSET (DTA)

During the year, Deferred Tax Asset (net) of ₹ 1.98 Cr (previous year ₹ 11.55 Cr) was considered in the Statement of Profit & Loss, on account of various components of asset & liabilities. The DTA outstanding at the end of the March 2022 was ₹ 47.73 Cr (previous year ₹ 45.45 Cr).

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

During the year, your Company initiated action against 879 defaulting borrowers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ("SARFAESI ") Act, 2002 and recovered ₹ 49.48 Cr (previous year ₹ 34.00 Cr) from borrowers. Of this ₹ 9.66 Cr (previous year ₹ 9.31 Cr) was recovered by way of sale of assets under SARFAESI. Apart from this ₹ 1.45 Cr was recovered in Written off accounts (Previous year ₹ 0.31 Cr).

## 14. LISTING OF SECURITIES:

The equity shares of the Company continued to be listed on the BSE Limited (BSE), Mumbai, and the National Stock Exchange of India Ltd. (NSE), Mumbai.

The non-convertible debentures issued on private placement are listed on National Stock Exchange of India Ltd.

As per SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, captioned "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper" the Company has also listed its Commercial Papers (CPs) on BSE Limited (BSE).

## 15. HUMAN RESOURCES DEVELOPMENT

The total number of employees of the Company was 909 (799 regular and 110 on contract) as on March 31, 2022 as against 887 (756 regular and 131 on contract) as at the end of the previous year.

Employees form the backbone of the Company. Their knowledge, dedication, aptitude, skills are of primary importance. The Company therefore ensures that the employees are fully equipped to discharge their duties effectively and efficiently and provide the necessary support in this direction by organizing training programmes, orientation sessions, imparting on the job training, enabling them to take part in seminars/ webinars etc. conducted by Regulatory authorities and reputed institutions.

During the year, training in credit, information technology, human relations, customer service, Grievance redressal, finance, taxation, marketing, fraud prevention, KYC & AML and other topics of importance was imparted to employees and executives. Our employees are quite adept at the use of technology and could therefore adapt to the work from home scenario, when warranted.

Your Company has put in place a series of HR measures and performance linked incentive including schemes to motivate employees to do better. Industrial relations in your Company continued to be cordial during the year.

During FY 21-22, no employee, other than the Managing Director who earns a remuneration of ₹12.5 Lakhs per month, was employed for a part of the year with a remuneration of ₹ 9.5 Lakh or more per month. The ratio of remuneration of each Director to the median of employees' remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and 2016 are furnished below:

**(i) Ratio of remuneration of each director to the median employees' remuneration for FY 2022**

The ratio of the remuneration of Managing Director to the median remuneration of the employees (regular employees) of the Company for the FY 2021-22 was 12.15: 1

The ratio of the remuneration of Dy. Managing Director to the median remuneration of the employees (regular employees) of the Company for the FY2021-22 was 2.5: 1

Non-executive Directors and Independent Directors are eligible for sitting fee only. The details of sitting fee paid to the Directors for the meetings of Board and Committees are given in the `Report of Directors on Corporate Governance'.

**(ii) Percentage increase in the remuneration of each Director and Key Managerial Personnel in FY 2022**

The percentage increase in remuneration in the financial year for the Managing Director & CEO was NIL and that of the Deputy Managing Director was (0.87%). The other Key managerial personnel of the Company are the General Manager, the Chief Financial Officer and the Company Secretary and the percentage increase in their remuneration was 17.53%, 20.22% and 19.50% respectively.

**(iii) Percentage increase in the median remuneration of employees in FY 2022**

The total number of permanent employees of the Company were 799 as on March 31, 2022. Apart from the permanent employees, there were 110 employees on contract as on March 31, 2022.

The percentage increase in the median remuneration of employees in the financial year was 33.84%

**(iv) Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration**

Average percentage increase in remuneration of the employees other than managerial personnel in the last financial year was 3.75% and that of Managerial remuneration was 20.45% during the period under review.

The average increase in the remuneration of both, the managerial and non-managerial personnel was determined based on the Annual Performance Evaluation and also based on the remuneration policy as recommended by the Nomination Remuneration & HR Committee of Directors and approved by the Board of Directors. There were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company. The Company affirms that the remuneration is as per the remuneration policy of the Company.

**(v) Prevention of Sexual Harassment of Women at the Workplace.**

The Company has a Policy on 'Prevention of Sexual Harassment of Women at Workplace' and matters connected therewith or incidental thereto covering all the aspects as contained under the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. During FY21-22 no case of sexual harassment was reported.

The Company has in place "Equal Opportunity Policy" as per Section 21(1) of Rights of the Persons with Disabilities Act, 2018.

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements under the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 and Companies Act, 2013, with a view to regulate trading in Securities of the Company by its directors, designated persons and employees. The same is made available on the website of the Company. For related link, please refer Annexure-5.

**(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

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

In terms of section 124 and 125 of the Companies Act, 2013, the amounts (dividend, deposits etc., with interest) that remained unclaimed and unpaid for more than 7 years from the date they first became due for payment, should be transferred to IEPF. As an investor-friendly measure, your Company has been intimating the shareholders / depositors/investors to encash their dividend warrant/ renew matured deposits or lodge their claim for payment of

due, if any, from time to time and claims made are settled. As per the statutory requirements, the details of such amounts are made available on the website of MCA-IEPF as well as on the Company's website. In order to receive prompt payment of dividend, the members/ investors are requested to DEMAT the shares held in physical mode, register bank account particulars, opt for ECS facility, register nomination and intimate change of address, if any, to the Company/ Depository Participants promptly.

**a) Unclaimed dividends**

As at March 31, 2022, dividends aggregating to ₹ 1.96 Cr (Previous year ₹ 1.86 Cr) declared for the years FY14-15 to FY20-21 (of which ₹ 0.34 Cr related to dividend for the year 2021), had not been claimed by shareholders. As an investor friendly measure, your Company has intimated shareholders to lodge their claims and related particulars were provided in the annual reports each year as well as on the website of your Company. The dividend pertaining to 2013-14, which remained unclaimed/unpaid amounting to ₹ 0.20 Cr (in respect of 1,932 shareholders), was transferred to IEPF on September 03, 2021, after the settlement of claims by members received in response to the individual reminder letters sent by your Company to the respective members. The dividend pertaining to 2014-15 remaining unclaimed and unpaid, amounting to ₹ 0.21 Cr (in respect of 2121 shareholders) as on March 31, 2022, would be transferred to IEPF during August 2022 after settlement of the claims received up to the date of completion of seven years i.e. on June 30, 2022.

The Company takes various initiatives to reduce the quantum of unclaimed dividend and has been periodically intimating the concerned shareholders, requesting them to encash their dividend before it becomes due for transfer to the IEPF.

**b) Transfer of shares to IEPF Demat account**

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Amendment Rules, 2017 was notified by the Ministry of Corporate Affairs (MCA) on October 13, 2017. As per Rule 6 of the said Rules, the shares, in respect of which dividend amounts have not been paid or claimed for 7 consecutive years, are required to be transferred to 'IEPF demat Account' of IEPF Authority. On verification of records of unpaid/unclaimed dividend, 64 shareholders had not claimed dividend for consecutive 7 years and their shares 51,500 Nos. have been transferred to IEPF demat account within the prescribed period and the details are provided on the website of the Company. For more details, please refer 'General Information to shareholders' in this report.

The status of shares transferred to IEPF as at March 31, 2022, is detailed as under:

| Particulars | No. of Shares |
|---|---|
| Balance as at April 1, 2021 | 4,15,550 |
| Transferred during financial year 2021-22 | 51,500 |
| Claims processed by IEPF Authority during the financial year 2021-22 | (1,250) |
| Balance as at March 31, 2022 | 4,65,800 |

In terms of the above Rules, reminder letters were sent by the Company to all the shareholders who had not claimed their dividends for a consecutive period of 7 years, informing that their shares will be transferred to IEPF suspense account on the due date, September 12, 2022, if they do not place their claim for unclaimed dividend amounts before the Company. Your Company has provided the related details on its website (Investors page).

**c) Unclaimed deposits**

Deposits remaining unclaimed for a period of seven years from the date they became due for payment have to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The concerned depositor can claim the deposit from the IEPF. As required under Section 125 of the Companies Act, 2013, the unclaimed and unpaid deposits together with interest for the year 2014-15 amounting to ₹ 0.32 Cr (previous year ₹ 0.17 Cr) that remained unclaimed and unpaid for a period of 7 years were transferred to IEPF during the year under review.

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

During the year, your Company did not earn any income or incur any expenditure in foreign currency/exchange other than payment of Dividend 2021 to NRIs on repatriation basis to an extent of ₹ 0.11 Cr through authorised dealers.

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

Company is conscious of the importance of imbibing measures towards optimum energy utilisation and conservation. However, the Company as its responsibility towards the society, has taken measures towards optimum energy utilisation and conservation, like installation of Solar Power systems, Solar UPS and power saving lamps like LED lights instead of conventional CFL & Fluorescent lamps in some of its branches.

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

As a green initiative, the Company has started availing the services of 'Dess Digital Software' for sharing the soft copies of agenda papers pertaining to all the Board and Committee meetings, with the Directors and executives.

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

The Board of Directors made the following appointments/ re-appointments based on the recommendations of the Nomination Remuneration & HR Committee on fit and proper criteria and performance evaluation of the Directors:

1) Shri Amitabh Chatterjee, DGM of Canara Bank was appointed as an additional Director and Whole-time Director (designated as Dy. Managing Director) by the Board w.e.f July 15, 2021, and the appointment was approved by the members at the Annual General Meeting held on September 08, 2021.

2) Shri Ajai Kumar was appointed as an Independent Director at the Annual General Meeting held on September 08, 2021 for a tenure of 3 years up to the conclusion of the Annual General Meeting of the Company for the financial year 2023-24.

3) Shri Arvind Narayan Yennemadi, FCA, has been appointed as an Additional Director (Non-executive Independent) by the Board of Directors of the Company on August 04, 2022.

4) Shri Anup Sankar Bhattacharya has been appointed as an Additional Director (Non-executive Independent) by the Board of Directors of the Company on August 04, 2022.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Shri L V Prabhakar is liable to retire by rotation at the ensuing AGM. He is eligible for re-appointment. The agenda relating to re-appointment of Shri L V Prabhakar, appointment of Shri Arvind Narayan Yennemadi (Non-executive Independent) and appointment of Shri Anup Shankar Bhattacharya (Non-executive Independent) are included in the Notice of the ensuing Annual General Meeting and complete particulars of the Directors are provided in the Explanatory Statements forming part of the said Notice.

The directors had filed their consent(s) and declaration(s) that they are not disqualified to become directors in terms of the provisions of Companies Act, 2013 and related Rules. The directors have intimated to the Company that they are not holding any shares or taken any loan(s) from the Company.

Brief profile of all the Directors are provided in this Annual Report.

**Key Managerial Personnel:**

Shri Amitabh Chatterjee, DGM of Canara Bank was appointed as an additional Director and Whole-time Director (designated as Dy. Managing Director) and Key Managerial Personnel by the Board w.e.f July 15, 2021 and his appointment was approved by the members at the Annual General Meeting held on September 08, 2021.

**Resignation/Vacation of Office:**

Dr. Yeluri Vijayanand (DIN: 00594503), Non-executive and Independent Director on the Board of Company has vacated office on the conclusion of the 34th Annual General Meeting of the Company, on completion of his tenure.

The tenure of office of Shri Naganathan Ganesan, FCA, Non-executive and Independent Director, will be completed on conclusion of the ensuing Annual General Meeting of the Company.

**Retirement by rotation and re-appointment:**

In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, and the Articles of Association of the Company, Shri L V Prabhakar, Director (Non-executive and Promoter) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The agenda relating to re-appointment of Shri L V Prabhakar forms part of the Notice convening the ensuing Annual General Meeting and all other relevant information as per SEBI Regulations are provided in the explanatory statement.

All the appointments and re-appointments of Directors are made by the Board of Directors on the recommendations of the Nomination Remuneration & HR Committee on fit and proper criteria and also based on the performance evaluation of the Directors.

All the appointments and re-appointments mentioned above, which form part of the Notice of the ensuing Annual

General Meeting of the Company, are recommended by your Directors to the members for appointment/re-appointment/approval.

## 19. MEETINGS OF THE BOARD

During the Financial year 2021-22, ten meetings of the Board of Directors were held and the related details, including that of various committees constituted by the Board, are made available in the Report of Directors on Corporate Governance forming part of this annual report placed before the members. Your Company has complied with all the requirements as applicable under Companies Act, 2013 and related rules, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also the Master Direction –Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, in relation to the Board of Directors and the Committees of the Board.

**Committees of the Board:**

Currently the Board has seven Committees viz. the Audit Committee, the Nomination Remuneration & HR Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, the Risk Management Committee, the Management Committee and the IT Strategy Committee.

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

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 and based on the information provided by the management and review of the draft statement by the Audit Committee, the Board of Directors report that-

a) In the preparation of the annual accounts for the year ended on March 31, 2022, the applicable accounting standards have been followed and there are no material departures;

b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on March 31, 2022 and of the profit of the Company for that period;

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

d) The Directors had prepared the annual accounts on a going concern basis;

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

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

**Declaration by Independent Directors:**

The Independent Directors have given declarations to the Company in terms of Section 149(7) and 149(8) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR), 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All the Independent Directors of the Company are persons of integrity, expertise and experience and have obtained certificates from the Institute notified under Section 150(1) of the Act, either by completing the online proficiency self-assessment test or by way of exemptions from taking the tests, since they were Directors for more than 10 years from the date specified.

**Code of Conduct:**

In terms of Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the FY20-21. As required under Schedule V (D) of the said Regulations, a declaration signed by the Managing Director & Chief Executive Officer of the Company stating that the members of the Board and the Senior Management Personnel have affirmed compliance of their respective Codes of Conduct, as on Annexure to Corporate Governance Report.

## 21. NOMINATION REMUNERATION AND HR COMMITTEE (NRC) POLICY

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

## 22. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in Promoting education including special education for tribal students, construction of class room blocks for Government schools, construction of girls Hostel, providing Stationeries and furniture to Government schools, setting up of Mini Science Labs (TINKER Labs), Vocational training, Skill enhancement programmes, renovation of Anganawadis, Scholarships for under privileged and girl child education. The Company also focuses on healthcare by donating advanced medical equipment to Hospitals during Covid-19 pandemic, and also in setting up of Covid Care Centre and Vaccination for General Public. Company has also donated ambulances to Hospitals all over India. Company has also contributed for welfare measures by providing amenities for old age homes, orphanages and centres for residential homes have been constructed for accomodating homeless, displaced individuals and differently abled people. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) during COVID-19 pandemic to provide relief to those affected by any kind of emergency or distress situation like COVID-19 also forms part of its CSR activities. Company also focused on animal welfare by providing Mobile van for treatment of injured animals, renewable energy by providing solar roof top panels and Solar Lights to village, conservation of Natural resources by Installing RO water purification and rejuvenation of Lakes.

The activities undertaken by the Company under CSR is PAN India basis and the projects are monitored by Registered Office and our branches in those areas. The total amount/ budget under CSR for the FY 2021-22 was ₹ 10.70 Cr and undisbursed amount of Preceding years is ₹ 1.73 Cr. The total amount spent under the CSR activities in FY 2021-22 is ₹ 8.25 Cr (including ₹ 1.66 Cr of Preceding years) has been transferred to unspent CSR Account as per provisions of Companies Act and will be disbursed as per the progress of the work. A summary of CSR details as on March 31, 2022 is given below:

| Sl. No. | Activities undertaken | 31-03-2022 | |
|---|---|---|---|
| | | No. of organisation (Beneficiaries) | Amount ₹ |
| 1. | Animal welfare | 1 | 7,17,926 |
| 2. | Conservation of Natural Resources | 4 | 13,66,850 |
| 3. | Construction / Renovation / repair / up gradation of infrastructural facilities at government schools or schools situated in rural/backward areas | 18 | 1,57,62,560 |
| 4. | Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women. | 1 | 1,00,00,000 |
| 5. | Promoting Tribal Sports | 1 | 9,00,000 |

| Sl. No. | Activities undertaken | 31-03-2022 | |
|---|---|---|---|
| | | No. of organisation (Beneficiaries) | Amount ₹ |
| 6. | Providing education materials including books, school bags, etc. to the poor children of government schools or schools situated in rural/backward areas. | 3 | 11,20,375 |
| 7. | Providing financial assistance / grant / scholarship to poor and meritorious students for persuasion of higher / professional studies. | 11 | 89,05,867 |
| 8. | Providing infrastructure facilities for differently abled, old, homeless and destitute, like setting up old age homes, day care centers and such facilities | 3 | 14,16,963 |
| 9. | Providing materials such as computers, tables, chairs, benches, fans, lights, blackboards etc. | 8 | 17,13,100 |
| 10. | Providing needy equipments and other items to hospitals – Govt. hospitals, charitable hospitals managed by trust/ society | 20 | 3,26,9,904 |
| 11. | Providing of sanitary, drinking water, solar power facilities to school | 2 | 8,40,681 |
| 12. | Providing training facilities to enhance vocational skills to the poor section of the society. | 2 | 15,70,000 |
| 13. | Renewable energy Projects | 3 | 24,95,930 |
| 14. | Supplementing of Govt-schemes like mid- day meal by Corporates through additional nutrition | 1 | 4,50,000 |
| 15. | To Provide financial support for creating healthcare infrastructure for COVID care, establishment of medical oxygen generation and storage plants, manufacturing and supply of oxygen concentrators, cylinders and other medical equipment for countering covid19 | 1 | 26,00,000 |
| | **Grand Total** | **79** | **8,25,51,156** |

The Annual Report on CSR activities including brief contents are provided as Annexure 2 to this report.

## 23. RISK MANAGEMENT POLICY

The Company has a structured Group Risk Management Framework, designed to identify, assess and mitigate risks appropriately. Your Company has constituted a Risk Management Committee with four Directors, Chief Risk Officer (CRO), Chief Compliance Officer (CCO) and two senior executives of the Company. In terms of Section 134(3)(n) of the Act, your Directors wish to state that your Company has adhered to the Risk Management Policy. The above policy was reviewed during the year. For web link please refer Annexure-5.

## 24. AUDIT AND INTERNAL CONTROL

Your Company strengthened existing internal control systems for reviews at periodical intervals and introduced measures for minimising operational risks commensurate with the nature of its business and size of operations. Further, your Company has reviewed delegation of authorities and streamlined standard operating procedures for all areas of its business/ operations/ functions, strengthened the Offsite Transaction Monitoring System (OTMS) to track transactions/ early-warning signals across all branches by introducing innovative monitoring tools. The National Housing Bank conducts inspection of your Company on an annual basis. During the year, the NHB conducted regular inspection of your Company in March 2022, for the position as at March 2021. The management discussions are completed and their report is awited.

Your Company has also put in place a well- defined policy on Risk Based Internal Audit (RBIA) and as per the said policy, 186 branches and 4 CPCs were audited in the FY 20-21. Apart from the RBIA, considering the volume of business, 132 branches were also subjected to quarterly/ half yearly internal audit by appointed audit firms. During the year, 41 loan accounts pertaining to 4 branches, amounting to ₹ 4.82 Cr has been declared as fraudulent and have been reported to the authorities/ regulators. The Audit Committee reviews the audit reports/remarks/ observations and replies/ compliances including the compliance of KYC norms. During the year, based on a complaint received, Canara Bank inspection team inspected 21 branches which led to detection of fraud in one branch amounting to ₹ 3.93 Cr involving 37 individual housing loan accounts wherein Income statements/bank statements were found to be fraudulent. The Company has classified these accounts as Non-performing and provided 100% provision in line with regulatory guidelines. In these cases borrowers and

properties are available. The Company has clarified investors as well as stock exchanges in this regard. Company has also taken necessary action against the concerned staff. Further, to rule out any such possibilities and also to improve the workings, inspection was conducted during June 2022 in all branches of the Company with 25% of the branches inspected by an internal inspection team and 75% of the branches inspected by Audit firms covering all accounts sanctioned during the last two years.

Regular inspection of your Company for review period August 01, 2018 to August 31, 2020 was conducted by Canara Bank. The compliance report on the observations were submitted which were reviewed by the Audit Committee and the Board. Management Audit by Canara Bank was conducted during February-2021 for the review period August 01, 2018 to August 31, 2020.

**Reporting of Frauds**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or to the Board and or to the Central Government as required under Section 143(12) of the Act and the rules made thereunder.

## 25. SECRETARIAL AUDIT & SECRETARIAL COMPLIANCE

As required under section 204 of the Companies Act, 2013 and Rules thereof, the Board appointed M/s Kedarnath & Associates, Practising Company Secretaries, for conducting the 'Secretarial Audit' of the Company and for submission of the Annual Compliance Report for the financial year 2021-22. The Secretarial Audit for FY21-22 was conducted as required u/s.204 of the Companies Act 2013, Regulation 24A of SEBI(LODR) Regulation 2015 and SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, by S. Kedarnath, FCS, Practising Company Secretary and his team. The report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report issued by the Practising Company Secretary is enclosed to the Report of Directors (Annexure-1) in terms of Section 134(3) (f) read with Section 204(1) of the Act.

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

**Secretarial Standards**

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

**Loans, Guarantees or Investments:**

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

Since the Company is a NBFC-HFC, the disclosures regarding particulars of the loans given, guarantees given and securities provided is exempt under the provisions of Section 186 (11) of the Companies Act, 2013. As regards investments made by the Company, the details of the same are provided in notes to the financial statements of the Company for the year ended March 31, 2022 (note 06).

**Related Party Transactions:**

The particulars of contracts or arrangements with the 'Related Parties' referred to in sub-section (1) of Section 188 of the Act are furnished in Note No.44 of the Notes forming part of the financial statements for FY21-22, forming a part of the Annual Report. The particulars of Related Party Transactions as required u/s sec 134(3)(h) in the prescribed format (AOC-2) is attached to this Report as Annexure-3.

**STATUTORY AUDITORS**

M/s. B Srinivasa Rao & Co (Registration No.: 008763S) and M/s. B K Ramadhyani & Co. LLP, Chartered Accountants (Registration No.: 002878S/S200021) are the joint Statutory Central Auditors of the Company to hold office for a period of three consecutive years from the conclusion of the 34th Annual General Meeting for a tenure up to the conclusion of the 37th Annual General Meeting to be held for the Financial Year 2023-24.

The auditors' report for the FY 2021-22 annexed to the financial statement for the year under review does not contain any qualifications.

## 26. COST RECORDS AND COST AUDIT

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

## 27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## 28. CORPORATE GOVERNANCE

As required under the Companies Act, 2013, Regulation 34 read with Schedule V of the SEBI (LODR) Regulations, 2015 and Housing Finance Companies –Corporate Governance (National Housing Bank) Directions, 2016, the 'Report of Directors on Corporate Governance' for the year FY21-22 forms part of in this Annual Report.

The said Report covers in detail the Corporate Governance Philosophy of the Company, Board Diversity, Directors appointment and remuneration, declaration by Independent Directors, Board evaluation, familiarisation programme, vigil mechanism etc. The Auditors Certificate on Corporate Governance is provided with this report as Annexure-4.

**Business Responsibility & Sustainability Report:**

As per SEBI(LODR) Regulations, 2015, the requirement of submitting a business responsibility report shall be discontinued after the financial year 2021-22 and thereafter, with effect from the financial year 2022-23, the top 1000 listed entities (based on market capitalization) shall mandatorily submit a Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by them from an environmental, social and governance (ESG) perspective, in the format as specified by SEBI from time to time. Even during the financial year 2021-22, the top 1000 listed entities may voluntarily submit a business responsibility and sustainability report in place of the mandatory business responsibility report. For the Financial Year 2021-22 your Company has included the Business Responsibility and Sustainability Report (BRSR) in the Annual Report 2021-22. In compliance with the said Regulations, the BRSR is provided as a part of this Report as Annexure-6.

**Board Evaluation:**

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

## 29. SAVE GREEN EFFORTS & RESPONSIBILITY TOWARDS SOCIETY

Can Fin Homes has always extended its support to the save green efforts mooted by the Ministry of Corporate Affairs (MCA), Government of India. Minimising paper usage by increasing data storage digitally, dispatch of Certificates/ information by way of mail to the customers, utilization of solar energy to light the branches and run computer operations, streamlining of the systems and procedures reporting, are few of our initiatives in this direction.

As in the previous years, we continue to publish only the statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report, Annual General Meeting Notices and such other notices are being sent to all members whose e-mail addresses are registered with the Company/ Depository participants. Further, as per MCA general circular dated January 13, 2021 notices for the General meeting may be given only through e-mails registered with the Company/DP/RTA. As per SEBI Circular SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 1, 2021 the requirements of Reg.36(1)(b) and (c) and Reg.58 (1)(b) &(c) of the LODR are dispensed with for listed entities who conduct their AGMs during the calendar year 2021 (i.e. till December 31, 2021). Accordingly, the Company conducted the AGM through VC/OAVM facility. Further, MCA General Circular No. 02/2022 dated May 05, 2022 and SEBI Circular SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 has further extended relaxations to companies to conduct their AGMs through Video Conferencing (VC) or through other audio-visual means (OAVM) till December 31, 2022.

[Regulation 36(1)(b) and (c) of the LODR prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively. Regulation 58(1)(b) & (c) of the LODR extend similar requirements to entities which have listed their NCDs and CPs.

We have been discharging our Corporate Social Responsibility diligently and have extended our support to hospitals, education and the weaker sections of society. It has been our constant endeavour to facilitate advanced health care by providing medical equipment, ambulances etc. Literacy enhancement has also been one of the causes that we have continuously espoused with passion for ensuring a better future to the children and youth of our country. We have sanctioned ₹ 10.70 Cr for FY 2021-22 and

spent ₹ 8.50 Cr (₹ 1.66 Cr of Previous Years) towards various activities which have been detailed in point no.22 of this report.

## 30. OUTLOOK FOR 2022-23

The country has successfully overcome the first second and third wave of Covid-19 and revival of the economy has been good on account of the various measures taken and schemes introduced by the Government.

Your Company remains committed to keep its flag flying high and conduct its business by adhering to ethical practices and sound principles/procedures that have been followed through its journey of over 34 years.

Focus on the Salaried class customers will continue. We will continue lending for the Affordable and mid-segment Housing. Out thrust will be on Qualitative growth. There will be no dilution of concerted collection efforts to maintain good Asset Quality.

In order to increase profitability, monitoring the cost of funds will be a key function. Pursuit of growth, profitability, asset quality and liquidity will be our goal during this financial year also.

## 31. ACKNOWLEDGEMENT:

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

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

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

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

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

For and on behalf of the Board of Directors

Sd/-

Place: Bengaluru
Date : August 04, 2022

**L V Prabhakar**
Chairman

# Annexure 1

**FORM NO. MR-3**

## SECRETARIAL AUDIT REPORT

**(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022)**

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

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

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **CAN FIN HOMES LIMITED** (CIN: L85110KA1987PLC008699) (hereinafter called 'the Company') having its Registered Office at No 29/1, Sir M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi Bengaluru - 560004

Secretarial Audit was conducted in a manner that provided us the reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed, other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investments and External Commercial Borrowing.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and as amended from time to time:

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations) including the requirements with regard to the disclosure of information on Company's website and other disclosure and reporting requirements to the Stock Exchanges during the Financial Year;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

f) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

g) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to the obligations of the Company); and

h) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

There was no occasion during the financial year requiring specific compliance under the provisions of the following Regulations and Guidelines, as amended till date: -

a) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;

b) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; and

c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

VI. We further report that, based on the guidelines issued by the Institute of Company Secretaries of India ('the ICSI') and as per the information provided by the Company as to the applicability of the Industry Specific Laws, the relevant records maintained by them, the Company has generally complied with the provisions of the following Industry specific laws / guidelines and other applicable General Laws to the extent applicable, as amended from time to time.

## I. Industry Specific Laws

1. FIMMDA operational Guidelines (RBI) for Commercial Papers;
2. The National Housing Bank Act, 1987;
3. RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021(w.e.f. 17/02/2021) and list of regulations prescribed for NBFCs (as updated from time to time) that are applicable mutatis mutandis to HFCs as per Annex I of the said Master Directions;
4. Master Direction - Know Your Customer (KYC) Direction, 2016, as amended from time to time;
5. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
6. Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017;
7. The Directions, guidelines and circulars issued by National Housing Bank / Reserve Bank of India from time to time.

## II. General Laws

1. Industrial and Labour laws as applicable to the Company;
2. The Shops and Commercial Establishments Act;
3. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
4. The Trademarks Act, 1999;
5. Transfer of Property Act, 1882;
6. Registration and Stamp Laws;
7. Information Technology Act, 2000;

We also report that the Company has developed and implemented adequate systems and processes which are in place to monitor and ensure compliances with the General Laws mentioned above and the same is commensurate with its size and extent of operations, to effectively ensure compliance with applicable laws, rules, regulations and guidelines.

VII. We have also examined compliance with respect to:

(i) The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs (MCA) and report that the Company has generally complied with the said Standards.

(ii) The Listing Agreement/s entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited (NSE) and report that the Company has complied with the same.

VIII. We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs.

IX. We further report that:

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

Adequate notice was given to all the Directors to schedule the Board/committee Meetings, agenda and detailed notes on agenda was sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Sub committees of Board were reconstituted during the financial year by following necessary provisions governing the same. Majority decisions were carried through by the Board and as per the minutes, decisions at the Board meetings were taken unanimously. The minutes also contain the views expressed by Directors in meetings.

There are also processes and adequate procedures in place for minimizing exposure to risks which may threaten the existence of the Company. The Company has complied with the requirements of the provisions governing Corporate Social Responsibility.

X. We further report, the following significant events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards and the same are as follows:

1. The Company has issued and allotted following Secured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10,00,000/- each on private placement basis:

   a) 2,750 NCDs aggregating to ₹ 275 Cr on November 10, 2021

   b) 5,000 NCDs aggregating to ₹ 500 Cr on February 25, 2022

   c) 7,000 NCDs aggregating to ₹ 700 Cr on March 10, 2022

   d) 2,600 NCDs aggregating to ₹ 260 Cr on March 25, 2022

   e) 4,000 NCDs aggregating to ₹ 400 Cr on March 30, 2022

2. The National Housing Bank vide its letter dated June 11, 2021, has imposed a penalty of ₹ 29,13,234/- plus applicable GST @18%, on the Company. NHB had observed that the Company had accepted individual deposits aggregating to ₹ 14,56,617/- from five small depositors for a period of less than 12 months, in contravention with provisions of Para 4 of the HFCs (NHB) Directions, 2010. The Company had replied to NHB that five deposits aggregating to ₹ 14,56,617/- (out of about 4000 deposits), were accepted in the year 2018-19 for a tenure of less than 12 months by three of its branches inadvertently. NHB has imposed a penalty of twice the amount of deposits collected, i.e., ₹ 29,13,234/-. The Company has taken all necessary measures to strengthen the checks and controls to ensure that such incidents do not recur.

3. The Company identified/detected incident supposedly indicating certain frauds/irregularities in respect of 37 Loan Accounts attached to the Company's branch located at Bhilwara (Rajasthan). These loans were reportedly granted on the strength of improper income documents of borrower and/or guarantor to an extent of ₹ 393.05 lakhs and the same is being effectively dealt with by the management.

For **S. KEDARNATH & ASSOCIATES**

Sd/-
**S.Kedarnath**
Company Secretary
FCS No. 3031, CP No. 4422
UDIN No: F003031D000503839

Date: June 17, 2022
Place: Bengaluru

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

# 'ANNEXURE-A'

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

Our report for Financial Year 2021-22, of even date is to be read along with this letter.

1. Secretarial Audit was conducted by physical verification as well as by using Information Technology tools and on a random test check basis. Using Information Technology Tools was necessitated in view of the prevailing COVID-19 circumstances and in compliance of directions of the State Government and as per Para 3 of the ICSI Guidance dated May 4, 2020.

2. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of any of the financial records and Books of Accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.

5. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **S. KEDARNATH & ASSOCIATES**

Sd/-
**S.Kedarnath**
Company Secretary
FCS No. 3031, CP No. 4422
UDIN No: F003031D000503839

Date: June 17, 2022
Place: Bengaluru

# SECRETARIAL COMPLIANCE REPORT

OF CAN FIN HOMES LIMITED FOR THE YEAR ENDED MARCH 31, 2022

I. We, S. Kedarnath & Associates, Company Secretaries, have examined:

a. All the documents and records made available to us and explanations provided by M/s Can Fin Homes Limited (CIN: L85110KA1987PLC008699) ("the Company");

b. The filings/ submissions made by the Company to the stock exchanges;

c. Website of the Company;

d. Any other document/filing, as may be relevant, which has been relied upon to make this certification:

**for the year ended March 31, 2022 in respect of compliance with the provisions of:**

a. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

II. The specific Regulations, whose provisions and the circulars/guidelines issued thereunder with amendments from time to time, have been examined, to the extent applicable: -

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the review period)**

c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the review period)**

e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the review period)**

f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible securities) Regulations, 2021 and the erstwhile The SEBI (Issue and Listing of debt Securities) Regulations, 2008;

g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the review period)**

h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006;

j. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 **(in relation to the obligations of the Company)**

k. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

l. Other regulations as applicable to the Company and circulars/guidelines issued thereunder;

**III. Based on the above examination, we hereby report that in terms of Reg.24A(2)of SEBI (LODR) Regulations, 2015, during the above Review Period:**

a. As may be applicable during the financial year, the Company, has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.

b. The Company has maintained proper records under the applicable provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.

c. There were no actions taken against the Company/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/ guidelines issued thereunder.

d. The Company has taken the following actions to comply with the observations made in previous reports: Not applicable

For **S. KEDARNATH & ASSOCIATES**

Sd/-
**S. Kedarnath**
Practicing Company Secretaries
FCS No.3031; CP No.4422
UDIN: F003031D000335253

Place: Bengaluru
Date: May 17, 2022

# Annexure-2

## Annual Report on Corporate Social Responsibility (CSR) Activities

**(As per Annexure II of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 and section 135(1) of the Companies Act 2013.)**

### 1. Brief outline on CSR Policy of the Company

Canfin Homes Ltd. Corporate Social Responsibility (CSR) policy is broadly based on the principles of National voluntary guidelines on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs, SEBI guidelines on Business Responsibility Reporting, Companies Act 2013 and ethos of our Sponsor, Canara Bank.

The objectives of Canfin Homes Ltd. CSR policy is to promote socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good, Contribution to the prime Ministers National relief fund or any other fund set up by Central Govt. or State Govt. for social economic development, relief and rehabilitation of persons effected by natural calamities, funds for the welfare of schedule Caste and Schedule Tribes and other backward classes, minority and women.

Promotion and Financing any other activities to be advised by the Govt. or approved by the Board from time to time.

Promote eligible Trusts and Societies and/or encourage eligible trusts and societies or other implementing agencies, registered under section 8 of the Companies Act, who are engaged in promoting the above objectives solely with our company or jointly with any other companies.

The CSR Committee of the Board shall formulate and recommend a CSR policy to the Board, indicating the activities to be under taken under CSR policy which is in tune with the Schedule VII of the Companies Act,2013 and any modifications made by the Govt. from time to time. The Committee shall also review the CSR policy from time to time / once in a year or such other periodical intervals as may be required.

### 2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. L V Prabhakar | Chairperson | 3 | 3 |
| 2. | Mr. Girish Kousgi | Member | 3 | 3 |
| 3. | Mr. Naganathan Ganesan | Member | 3 | 3 |
| 4. | Mr. Amitabh Chatterjee | Member | 3 | 3 |
| 5. | Mr. Satish Kumar Kalra | Member | 3 | 2 |

**Note:** Shri Satish Kumar Kalra was appointed as the member of the committee from October 21, 2021.

**Note:** Shri Amitabh Chatterjee was appointed w.e.f July 15, 2021.

### 3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee shared above and is available on the Company's

website - https://www.canfinhomes.com/board-committees.aspx

CSR Policy - https://www.canfinhomes.com/pdf/CSR-Policy-2021-22.pdf

CSR projects - https://www.canfinhomes.com/csr.aspx

## 4. Details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (Report attached).

Canfin Homes Ltd have been conducting internal impact assessments to monitor and evaluate its strategic CSR programs. The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy, Rules 2014 and has initiated steps to conduct impact assessment of CSR projects through an independent agency. There are no projects undertaken or completed for which the impact assessment report is applicable in FY 2022.

## 5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for setoff from preceding financial years (in ₹) | Amount required to be set off for the financial year, if any (in ₹) |
|---|---|---|---|
| 1. | - | NIL | NIL |

**6.** Average net profit of the company as per section 135(5) – ₹ 535.12 Cr

**7.** (a) Two percent of average net profit of the company as per section 135(5) – ₹ 10.70 Cr

(b) Surplus arising out of the CSR projects or program or activities of the previous financial years. – Nil

(c) Amount required to be set off for the financial year, 17 if any – NA

(d) Total CSR obligation for the financial year (7a+7b+7c) – ₹ 10.70 Cr

**8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| ₹ 6,59,32,345/- | ₹ 2,20,12,257/-<br>*₹ 1,90,55,398/- spent till 28-04-2022 | 28-04-2022 | NA | NA | NA |

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

| Sl No | Name of the Project | Item from the list of activities in schedule VII of the act | local area Yes/ No) | location of the project | project duration | Amount allocated for the project (in ₹) | Amount spent in the current FY (in ₹) | Amount To Be Transferred to unspent CSR account for the project as per section 135(6) | Mode of implementation -Direct (yes/no) | Mode of Implementation through implementing agency (Name and CSR Registration number) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | To general Public through Blossom Hospital,Bengaluru. | COMBAT COVID - 19 | Yes | Bengaluru | 365 | 49,14,000.00 | - | 49,14,000.00 | Yes | |
| 2 | Saraguru, Mysuru in association with Swamy Vivekananda Youth Movement | Promoting Education | No | Mysore | 365 | 40,00,000.00 | 36,00,000.00 | 4,00,000.00 | Yes | |
| 3 | Gottigere Government School, Bengaluru | Promoting Education | Yes | Bengaluru | 182 | 4,78,962.00 | - | 4,78,962.00 | Yes | |
| 4 | Yediyur Government School, Bengaluru | Promoting Education | Yes | Bengaluru | 182 | 1,12,572.00 | - | 1,12,572.00 | Yes | |

| Sl No | Name of the Project | Item from the list of activities in schedule VII of the act | local area Yes/ No) | location of the project | project duration | Amount allocated for the project (in ₹) | Amount spent in the current FY (in ₹) | Amount To Be Transferred to unspent CSR account for the project as per section 135(6) | Mode of implementation -Direct (yes/no) | Mode of Implementation through implementing agency (Name and CSR Registration number) |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 | Kala Sampada-Kendra for Fine Arts Rajarajeshwari Nagar, Bengaluru | Promoting Education | Yes | Bengaluru | 365 | 5,22,000.00 | 3,70,000.00 | 1,52,000.00 | Yes | |
| 6 | Rotary Indirana-gar,Bengaluru. | Promoting Education | Yes | Bengaluru | 182 | 12,00,000.00 | 6,00,000.00 | 6,00,000.00 | No | Rotary Indirana-gar,Bengaluru - CSR00002728 |
| 7 | Academy for Creating Teaching Trust - ACT | Promoting Education | Yes | Bengaluru | 365 | 10,00,000.00 | 5,00,000.00 | 5,00,000.00 | No | Academy for Creating Teaching Trust - ACT -CSR00020262 |
| 8 | AID INDIA | Welfare Measures | Yes | Bengaluru | 182 | 10,60,000.00 | 5,00,000.00 | 5,60,000.00 | No | AID INDIA - CSR00000027 |
| 9 | Earthsave | Environmental Sustainablity - Conservation of Natural Resources | Yes | Bengaluru | 182 | 11,02,080.00 | 3,31,000.00 | 7,71,080.00 | Yes | |
| 10 | BHAGWAN MAHAVEER JAIN HOSPITAL | Healthcare | Yes | Bengaluru | 182 | 64,88,166.00 | 29,00,000.00 | 35,88,166.00 | Yes | |
| 11 | MAHARASHTRA STATE RESERVE POLICE FORCE HOSPITAL | Healthcare | No | Chakan | 182 | 17,46,972.00 | 17,41,000.00 | 5,972.00 | Yes | |
| 12 | SAMARTHANAM | Promoting Education | Yes | Bengaluru | 182 | 25,54,650.00 | 12,77,325.00 | 12,77,325.00 | No | SAMARTHANAM - CSR00000063 |
| 13 | District Hospital - KRS ROAD, Metagalli MYSORE | Healthcare | No | Mysore | 182 | 17,06,880.00 | - | 17,06,880.00 | Yes | |
| 14 | Trauma and emergency care BMCRI VICTORIA | Healthcare | Yes | Bengaluru | 182 | 35,39,200.00 | - | 35,39,200.00 | Yes | |
| 15 | Jayadeva Hospital | Healthcare | Yes | Bengaluru | 182 | 43,00,000.00 | - | 43,00,000.00 | Yes | |
| 16 | Rashtreeya Sikshana Samithi Trust | Healthcare | Yes | Bengaluru | 182 | 34,16,000.00 | 17,08,000.00 | 17,08,000.00 | Yes | |
| 17 | Sir C V Raman Genaral Hospital | Healthcare | Yes | Bengaluru | 182 | 28,26,100.00 | - | 28,26,100.00 | Yes | |
| 18 | Annayanadoddi village, Raagi Halli, Jigni | Environmental Sustainability - Renewable energy Projects | Yes | Bengaluru | 182 | 11,96,160.00 | - | 11,96,160.00 | Yes | |
| 19 | JAIN MISSION TRUST | Healthcare | Yes | Bengaluru | 182 | 1,00,000.00 | | 1,00,000.00 | Yes | |
| 20 | Shree Sunder Singh Bhandari Govt Hospital | Healthcare | No | solapur | 182 | 9,73,500.00 | 4,86,750.00 | 4,86,750.00 | Yes | |
| 21 | SAI KRUSHNA CHARITABLE TRUST | Environmental Sustainability - Renewable energy Projects | Yes | Bengaluru | 182 | 9,60,472.00 | - | 9,60,472.00 | Yes | |
| 22 | Government General and chest Hospital, Hyderabad | Healthcare | No | Kukatpal-ly | 182 | 11,30,430.00 | - | 11,30,430.00 | Yes | |
| 23 | Vishranthi Trust | Promoting Education | Yes | Bengaluru | 182 | 11,50,000.00 | - | 11,50,000.00 | No | Vishranthi Trust - CSR00006482 |
| 24 | Government school - Thotadaguddadahalli | Promoting Education | Yes | Bengaluru | 182 | 2,90,752.00 | - | 2,90,752.00 | Yes | |
| 25 | Government School - chikkadevasandra | Promoting Education | Yes | Bengaluru | 182 | 3,84,208.00 | - | 3,84,208.00 | Yes | |
| 26 | Rotary Bengaluru Indiranagar | Environmental Sustainability - Conservation of Natural Resources | Yes | Bengaluru | 182 | 6,18,000.00 | - | 6,18,000.00 | No | Rotary Indirana-gar,Bengaluru - CSR00002728 |
| 27 | STEM Learning Private Limited Yeshwanthpur, Bengaluru | Promoting Education | Yes | Bengaluru | 182 | 4,91,599.00 | - | 4,91,599.00 | No | STEM Learning Pri-vate Limited Ye-shwanthpur, Bengaluru - U80903MH2011PTC250050 |

| Sl No | Name of the Project | Item from the list of activities in schedule VII of the act | local area Yes/ No) | location of the project | project duration | Amount allocated for the project (in ₹) | Amount spent in the current FY (in ₹) | Amount To Be Transferred to unspent CSR account for the project as per section 135(6) | Mode of implementation -Direct (yes/no) | Mode of Implementation through implementing agency (Name and CSR Registration number) |
|---|---|---|---|---|---|---|---|---|---|---|
| 28 | Earthsave | Environmental Sustainability | Yes | Bengaluru | 182 | 6,309.00 | - | 6,309.00 | Yes | |
| 29 | JAIN MISSION TRUST | Healthcare | Yes | Bengaluru | 182 | 24,28,000.00 | - | 24,28,000.00 | Yes | |
| 30 | BHARATIYA VIDYA BHAVAN | Environmental Sustainability - Renewable energy Projects | Yes | Bengaluru | 182 | 43,84,718.00 | - | 43,84,718.00 | Yes | |
| | Total | | | | | 5,50,81,730.00 | 1,40,14,075.00 | 4,10,67,655.00 | | |

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl No | Name of the Project | Item from the list of activities in schedule VII of the act | local area Yes/ No) | location of the project | Amount spent for the project (in ₹) | Mode of implementation (-Direct (yes/no) | Mode of Implementation through implementing agency (Name and CSR Registration number) |
|---|---|---|---|---|---|---|---|
| 1 | AID INDIA | COMBAT COVID - 19 | Yes | Bengaluru | 26,00,000.00 | No | AID INDIA -CSR00000027 |
| 2 | SOS children's villages of India, Bengaluru. | Promoting Education | Yes | Bengaluru | 28,20,000.00 | No | SOS children's villages of India -CSR00000692 |
| 3 | CONTRIBUTION TO CENTRAL GOVT | Contribution To Central Government | Yes | Bengaluru | 1,00,00,000.00 | Yes | |
| 4 | Karnataka Institute of Medical Sciences (KIMS), Hubli. | Healthcare | No | Hubli | 30,09,000.00 | Yes | |
| 5 | Government Primary School, urdu Government School, Divya Jyoti Government Aided School & Samartham School, Bengaluru | Promoting Education | Yes | Bengaluru | 4,54,736.00 | Yes | |
| 6 | government PU college for girls, Basavanagudi, Bengaluru | Promoting Education | Yes | Bengaluru | 10,00,000.00 | Yes | |
| 7 | GMERS Medical College & Hospital Vadnagar, Gujarat | Promoting Education | No | Ahmedabad | 3,00,000.00 | Yes | |
| 8 | Government PU college for girls, Basavanagudi, Bengaluru | Promoting Education | Yes | Bengaluru | 4,57,927.00 | Yes | |
| 9 | STEM Learning Private Limited Yeshwanthpur, Bengaluru | Promoting Education | Yes | Bengaluru | 9,83,198.00 | No | STEM Learning Private Limited-U80903MH2011PTC250050 |
| 10 | Arpitha Charitable Trust, Ramanagara | Welfare Measures | No | Ramanagara | 5,00,000.00 | Yes | |
| 11 | Government PU college for girls, Basavanagudi, Bengaluru | Promoting Education | Yes | Bengaluru | 10,00,000.00 | Yes | |
| 12 | Chigateri District Government Hospital, Da-vanagere | Healthcare | no | Davanagere | 6,75,000.00 | Yes | |
| 13 | Government Schools, Santosh Charitable Trust | Promoting Education | Yes | Bengaluru | 2,07,712.00 | Yes | |
| 14 | Rotary Indiranagar, Bengaluru. | Promoting Education | Yes | Bengaluru | 12,00,000.00 | No | Rotary Indiranagar, Bengaluru - CSR00002728 |
| 15 | GLPS school, Chinnagenahalli, Korama-nagla, Bengaluru | Promoting Education | Yes | Bengaluru | 9,79,366.00 | Yes | |
| 16 | Shri Madhwa 'Vadiraja Institute of Technology and Management at Shirva, Udupi | Promoting Education | No | Udupi | 1,20,560.00 | Yes | |
| 17 | Friends of Tribal, Bengaluru | Promoting Education | Yes | Bengaluru | 7,48,000.00 | Yes | |
| 18 | Sanjay Gandhi Institute of trauma & Orthopaedics | Healthcare | Yes | Bengaluru | 28,00,000.00 | Yes | |

| Sl No | Name of the Project | Item from the list of activities in schedule VII of the act | local area Yes/ No) | location of the project | Amount spent for the project (in ₹) | Mode of implementation (-Direct (yes/no) | Mode of Implementation through implementing agency (Name and CSR Registration number) |
|---|---|---|---|---|---|---|---|
| 19 | Gandhi Institute, Bengaluru | Promoting Education | Yes | Bengaluru | 12,00,000.00 | Yes | |
| 20 | Abhishek S -BE RV college | Promoting Education | Yes | Bengaluru | 1,05,293.00 | Yes | |
| 21 | Girl Student Shradda Patil | Promoting Education | No | Boisar | 12,014.00 | Yes | |
| 22 | Government Hospital Devanahalli | Healthcare | Yes | Bengaluru | 28,21,704.00 | Yes | |
| 23 | Government RDBP Hospital, Jaipur | Healthcare | Yes | Bengaluru | 19,75,600.00 | Yes | |
| 24 | Government General Hospital, Yelahanka | Healthcare | Yes | Bengaluru | 23,90,000.00 | Yes | |
| 25 | Shri Siddeshwara Cancer & Hospital And Re-search | Healthcare | No | Solapura | 17,51,835.00 | Yes | |
| 26 | Government Hospital, Raisen Dist | Healthcare | No | Raisen | 15,33,600.00 | Yes | |
| 27 | Government Civil Hospital, Morar, Gwalior | Healthcare | No | Gwalior | 19,08,750.00 | Yes | |
| 28 | Global Eye Foundation (GEF) Hospital | Healthcare | No | Hoskote | 19,59,906.00 | Yes | |
| 29 | Friendicoes SECA | Environmental Sustainability - Animal welfare | No | Noida | 7,17,926.00 | Yes | |
| 30 | Government High School, Attur, Ye-lahanaka | Promoting Education | Yes | Bengaluru | 5,93,717.00 | Yes | |
| 31 | Government Area Hospital Patancheru, Sangareddy | Healthcare | No | Sangareddy | 8,45,600.00 | Yes | |
| 32 | Telangana Institute of Medical Sciences & Research | Healthcare | No | Kukatpally | 11,00,000.00 | Yes | |
| 33 | Govetrment Higher primary school, Gublala | Promoting Education | Yes | Bengaluru | 2,53,696.00 | Yes | |
| 34 | Samudaya Arogya Kendra Ayanuru, Shi-moga | Healthcare | No | Shimoga | 5,76,800.00 | Yes | |
| 35 | Primary health care center, sidiginamola, Ballari | Environmental Sustainability - Renewable ener-gy Projects | No | Ballari | 6,98,880.00 | Yes | |
| 36 | Aarohan NGO | Environmental Sustainability - Conservation of Natural Resources | No | Noida | 9,70,000.00 | Yes | |
| 37 | Model Sanskriti Sen Sec School, Biwani | Environmental Sustainability - Renewable ener-gy Projects | No | Noida | 6,47,450.00 | Yes | |
| | Total | | | | **5,19,18,270.00** | | |

**(d) Amount spent in Administrative Overheads** - NIL

**(e) Amount spent on Impact Assessment, if applicable** - NIL

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)** - ₹ 6.59 Cr

**(g) Excess amount for set off, if any**

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| 1 | Two percent of average net profit of the company as per section 135(5) | 10.70 |
| 2 | Total amount spent for the Financial Year | 6.59 |
| 3 | Excess amount spent for the financial year [(ii)-(i)] | NIL |
| 4 | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| 5 | Amount available for set off in succeeding financial years [(iii)-(iv)] | NIL |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sl. No. | Preceding Financial year | Amount Transferred to unspent CSR account under section 135(6) (in ₹) | Amount spent in the reporting Financial year (in ₹) | Amount transferred to any fund specified under schedule VII as per section 135(6), if any | Amount remaining to be spent in the succeeding financial years (in ₹) |
|---|---|---|---|---|---|
| 1 | 2018-19 | 1,04,000 | 1,04,000 | NA | - |
| 2 | 2019-20 | 30,24,730 | 30,24,730 | NA | |
| 3 | 2020-21 | 1,42,08,274 | 1,34,90,081 | | 7,18,193 |
| | **Total** | **1,73,37,004** | **1,66,18,811** | | **7,18,193** |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| Sl. No. | Project ID | Name of the Project | Financial year in which project was commenced | Project Duration | Total Amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of the reporting Financial year (in ₹) | Status of the project (Completed/ Ongoing) |
|---|---|---|---|---|---|---|---|---|
| 1 | Ramakrishna Mission, Shivanahalli, Bengaluru. | | 2018-19 | 1096 | 1,15,04,000.00 | 1,04,000.00 | 1,15,04,000.00 | Completed |
| 2 | Just Jute Products - General Public | | 2019-20 | 365 | 80,339.00 | 24,730.00 | 80,339.00 | Completed |
| 3 | Swami vivekanand youth movement mysore. | | 2019-20 | 730 | 30,00,000.00 | 9,00,000.00 | 30,00,000.00 | Completed |
| 4 | Govt primary school, beneganahalli, Bengaluru. Rotary Club | | 2019-20 | 730 | 30,00,000.00 | 21,00,000.00 | 30,00,000.00 | Completed |
| 5 | Canara bank Relief and welfare society,bengaluru. | | 2020-21 | 365 | 2,50,000.00 | 7,67,611.00 | 2,50,000.00 | Completed |
| 6 | Akkur hosahalli School. | | 2020-21 | 365 | 2,29,315.00 | 1,00,000.00 | 2,29,315.00 | Completed |
| 7 | Riya Foundation, Mangalore. | | 2020-21 | 365 | 7,50,000.00 | 4,16,963.00 | 7,50,000.00 | Completed |
| 8 | Government lower Primary School, Nyanappanahalli, Bengaluru. | | 2020-21 | 365 | 36,462.00 | 36,462.00 | 36,462.00 | Completed |
| 9 | Government lower Primary School, Yelenahalli, Bengaluru. | | 2020-21 | 365 | 39,530.00 | 39,530.00 | 39,530.00 | Completed |
| 10 | Government Higher Primary School, Arikere, Bengaluru and Government Higher Primary School, Devarachikkanahalli. | | 2020-21 | 365 | 3,96,175.00 | 3,96,175.00 | 3,96,174.00 | Completed |
| 11 | Government Hospital, Virajpet, Kodagu. | | 2020-21 | 365 | 7,41,870.00 | 7,41,870.00 | 7,41,870.00 | Completed |
| 12 | Parivaar Education Society, Sandalpur, MP. | | 2020-21 | 365 | 1,07,57,200.00 | 18,51,440.00 | 1,04,57,200.00 | Completed |
| 13 | Arikere Government School. | | 2020-21 | 365 | 1,74,758.00 | 1,74,758.00 | 1,74,758.00 | Completed |
| 14 | Lions Club, Chandra Layout, Bengaluru. | | 2020-21 | 365 | 5,07,333.00 | 3,22,661.00 | 4,97,301.00 | Completed |
| 15 | Government Model Primary School, Begur, Bengaluru. | | 2020-21 | 365 | 6,01,120.00 | 6,01,120.00 | 6,01,120.00 | Completed |
| 16 | Government Model Primary School, Nekaarara Colony, Bengaluru. | | 2020-21 | 365 | 2,69,258.00 | 2,69,258.00 | 2,69,258.00 | Completed |
| 17 | Government lower Primary School, Nyanappanahalli, Bengaluru. | | 2020-21 | 365 | 1,69,903.00 | 1,69,903.00 | 1,69,903.00 | Completed |
| 18 | Government High School, Eggaluru, Channapatna, Ramanagara. | | 2020-21 | 365 | 49,560.00 | 49,560.00 | 49,560.00 | Completed |
| 19 | Government Higher Primary School, Ambadahalli, Channapatna, Ramanagara. | | 2020-21 | 365 | 93,960.00 | 93,960.00 | 93,960.00 | Completed |
| 20 | Akkur Hosahalli High School, Channapatna, Ramanagara. | | 2020-21 | *365 delayed on account of COVID | 10,21,200.00 | 8,92,000.00 | 8,92,000.00 | Ongoing |

| Sl. No. | Project ID | Name of the Project | Financial year in which project was commenced | Project Duration | Total Amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of the reporting Financial year (in ₹) | Status of the project (Completed/ Ongoing) |
|---|---|---|---|---|---|---|---|---|
| 21 | Sollepuradoddi Village, Jigani Hobli, Anekal Taluk, Bengaluru. | | 2020-21 | 365 | 11,49,600.00 | 11,49,600.00 | 11,49,600.00 | Completed |
| 22 | Government Higher primary School, Chikkalasandra, Bengaluru. | | 2020-21 | 365 | 60,481.00 | 60,479.00 | 60,479.00 | Completed |
| 23 | Government lower primary school Sollepuradoddi village, Jigani Hobli, Anekal Taluk, Bengaluru. | | 2020-21 | 365 | 4,99,713.00 | 4,99,713.00 | 4,99,713.00 | Completed |
| 24 | Canara Bank Jubilee Education Fund. | | 2020-21 | 365 | 2,50,000.00 | 2,50,000.00 | 2,50,000.00 | Completed |
| 25 | Primary Health Center under Health, Medical and family welfare Department, Kadapa. | | 2020-21 | *365 delayed on account of COVID | 2,75,000.00 | - | - | Ongoing |
| 26 | Lions Club of Bengaluru, Chandra Layout. | | 2020-21 | 365 | 5,18,020.00 | 5,18,020.00 | 5,18,020.00 | Completed |
| 27 | Gandhi Hospital, Hyderabad. | | 2020-21 | 365 | 10,01,836.00 | 9,97,878.00 | 9,97,878.00 | Completed |
| 28 | Rotary Indiranagar, Bengaluru. | | 2020-21 | 365 | 10,00,000.00 | 10,00,000.00 | 10,00,000.00 | Completed |
| 29 | CRY Organisation | | 2020-21 | 365 | 10,00,000.00 | 10,00,000.00 | 10,00,000.00 | Completed |
| 30 | Sharanu Basava Ashreya Dhama old age Home run by Sri Veerabhadra Charitable Trust. | | 2020-21 | 365 | 4,50,000.00 | 4,50,000.00 | 4,50,000.00 | Completed |
| 31 | Antharaganga mentally challenged children residential school,Kolar. | | 2020-21 | 365 | 6,00,000.00 | 6,00,000.00 | 6,00,000.00 | Completed |
| 32 | General Public. | | 2020-21 | 365 | 41,120.00 | 41,120.00 | 41,120.00 | Completed |
| | Total | | | | | **1,66,18,811.00** | | |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - NIL

(a) Date of creation or acquisition of the capital asset(s) - NIL

(b) Amount of CSR spent for creation or acquisition of capital asset - NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NIL

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - NA

Sd/-
**Girish Kousgi**
Managing Director and CEO
DIN: 08524205

Sd/-
**L V Prabhakar**
Chairman CSR Committee
DIN: 08110715

Place : Bengaluru
Date : July 14, 2022

# Annexure 3

## FORM AOC 2

**Particulars of contracts/arrangements made with related parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2]

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not in arm's length basis.

### Details of material contracts or arrangements or transactions at arm's length basis

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2022 are as follows:

| Nature of Contract | Nature of relationship | Date of Sanction | Tenure (years) | Salient Terms * | Outstanding Amount (in ₹ Cr) | Interest Paid |
|---|---|---|---|---|---|---|
| 1) Loans from Canara Bank | | | | | | |
| Term Loan | Sponsor Bank | 21/08/2017 | 10 | TL at MCLR | 752.35 | 82.67 |
| 2) Working Capital from Canara Bank | Sponsor Bank | 27/02/2018 | 1 | Over Draft facility | 394.56 | 3.31 |
| TOTAL | | | | | **1146.91** | **85.98** |

*(other terms & conditions as per respective agreement)

| Nature of Contract | Nature of relationship | Date of Deposit | Tenure (years) | Salient Terms | Outstanding Amount (in ₹ Cr) |
|---|---|---|---|---|---|
| 1) Deposit with Canara Bank | | | | | |
| 2673302000149/21 | Sponsor Bank | 31-12-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 2673302000149/22 | Sponsor Bank | 31-12-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 2673302000149/23 | Sponsor Bank | 28-01-2022 | 1 | Fixed Deposit at 5.00% | 0.70 |
| 0684302000216 / 138 | Sponsor Bank | 25-02-2022 | 1 | Fixed Deposit at 5.00% | 0.55 |
| 0684302000216/139 | Sponsor Bank | 31-03-2022 | 1 | Fixed Deposit at 5.10% | 0.75 |
| 0684302000216/124 | Sponsor Bank | 28-06-2021 | 1 | Fixed Deposit at 5.20% | 0.20 |
| 0684302000216/125 | Sponsor Bank | 03-07-2021 | 1 | Fixed Deposit at 5.20% | 0.50 |
| 0684302000216/126 | Sponsor Bank | 03-07-2021 | 1 | Fixed Deposit at 5.20% | 0.50 |

| Nature of Contract | Nature of relationship | Date of Deposit | Tenure (years) | Salient Terms | Outstanding Amount (in ₹ Cr) |
|---|---|---|---|---|---|
| 0684302000216/127 | Sponsor Bank | 21-08-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684302000216/128 | Sponsor Bank | 21-08-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684302000216 /131 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684302000216 /132 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.90 |
| 0684302000216 / 133 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.90 |
| 0684302000216 /134 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.90 |
| 0684302000216 / 135 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.90 |
| 0684302000216 / 136 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.90 |
| 0684302000216 / 137 | Sponsor Bank | 30-11-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684302000216 / 129 | Sponsor Bank | 30-09-2021 | 1 | Fixed Deposit at 5.10% | 0.70 |
| 0684302000216 / 130 | Sponsor Bank | 30-09-2021 | 1 | Fixed Deposit at 5.10% | 0.75 |
| 0684302000307/3 | Sponsor Bank | 28-11-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684302000308/3 | Sponsor Bank | 28-11-2021 | 1 | Fixed Deposit at 5.10% | 0.50 |
| 0684401002868/44 | Sponsor Bank | 28-08-2021 | 1 | Kamadhenu Deposit at 5.10% | 0.63 |
| 0684401002868/45 | Sponsor Bank | 28-08-2021 | 1 | Kamadhenu Deposit at 5.10% | 0.63 |
| 0684401002868/46 | Sponsor Bank | 10-02-2022 | 1 | Kamadhenu Deposit at 5.00% | 1.31 |
| 0684401002868/47 | Sponsor Bank | 28-03-2022 | 1 | Kamadhenu Deposit at 5.10% | 0.53 |
| 0684401002868/48 | Sponsor Bank | 31-03-2022 | 1 | Kamadhenu Deposit at 5.10% | 1.00 |
| 0684401002868/49 | Sponsor Bank | 31-03-2022 | 1 | Kamadhenu Deposit at 5.10% | 1.00 |
| 0684401002868/50 | Sponsor Bank | 31-03-2022 | 1 | Kamadhenu Deposit at 5.10% | 0.67 |
| 0684401002868/43 | Sponsor Bank | 29-05-2021 | 1 | Kamadhenu Deposit at 5.20% | 0.26 |
| 130007492531/2 | Sponsor Bank | 27-04-2022 | 90 days | Fixed Deposit at 3.10% | 100.00 |
| 130007492531/1 | Sponsor Bank | 27-04-2022 | 90 days | Fixed Deposit at 3.10% | 200.00 |
| TOTAL | | | | | **319.18** |
| 2) Total Interest earned on Canara Bank Deposit | | | | | 2.61 |

| Nature of Contract | Nature of relationship | Duration of Contract | Salient terms | Amount |
|---|---|---|---|---|
| Rent paid to Canara Bank | Sponsor Bank | On going | Rent for Premises of Branches at Noida, Chennai, New Delhi and Mangalore | 0.60 |
| Bank charges paid to Canara Bank | Sponsor Bank | On going | As per norms | 1.23 |
| Salary of Whole Time Director/s paid to Canara Bank | Sponsor Bank | On going | As per norms | 0.28 |
| Sitting Fees of Directors paid to Canara Bank | Sponsor Bank | On going | As per norms | 0.09 |
| Dividend Paid | Sponsor Bank | On going | As declared in the Annual General Meeting/ interim dividend declared by the board | 13.98 |
| Registrar & Transfer Agency charges paid to Canbank Computer Services Ltd | Subsidiary of Sponsor Bank | 3 years | As per the R&T agreement | 0.14 |
| Can Fin Homes Limited Employees Provident Fund | Employees PF Trust | On going | As per the terms and conditions | 0.49 |

| Nature of Contract | Nature of relationship | Duration of Contract | Salient terms | Amount |
|---|---|---|---|---|
| Commission Received from Canara HSBC OBC Insurance Co. Ltd | Joint venture of Sponsor Bank | One time | As per the terms and conditions | 3.06 |
| Secured Redeemable Non Convertible Taxable Debentures invested by Canara HSBC OBC Insurance Co. Ltd | Joint venture of Sponsor Bank | One time | As per the terms and conditions of the NCD issue. | 5.00<br>Interest<br>0.39 |

Appropriate approvals have been taken for related party transactions u/s 188 of Companies Act, 2013 at the 32nd AGM of the Company held on July 17, 2019 & approvals of Audit committee & Board of Directors as required under listing agreements/SEBI (LODR) regulations 2015 & Companies Act 2013. Advances paid have been adjusted against billings wherever applicable.

| | | | |
|---|---|---|---|
| | Sd/- | Sd/- | Sd/- |
| Place: Bengaluru | **Prashanth Joishy** | **Girish Kousgi** | **L V Prabhakar** |
| Date : August 04, 2022 | Asst. General Manager & CFO | Managing Director & CEO | Chairman |

# Annexure-4

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Can Fin Homes Limited.

1. We, B Srinivasa Rao & Co., Chartered Accountants, the Joint Statutory Auditors of Can Fin Homes Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by M/s Can Fin Homes Limited for the year ended March 31, 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

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

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

### Opinion

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31, 2022.

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

For,
**B Srinivasa Rao & Co.,**
Chartered Accountants
FRN 008763S

Sd/-
**CA Anand Mahendrakar**
Partner
M. No. 227336
UDIN: 22227336AOBKDL7680

Place: Bengaluru
Date: August 02, 2022

# Annexure-5

## CORPORATE POLICIES

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 our Company has formulated certain policies and such policies are available on our website viz., https://www.canfinhomes.com/. The policies are reviewed periodically by the Committees of the Board and modifications, if any, based on need and change in applicable laws, are approved by the Board. The list of such policies with their web links is as follows:

| Name of the policy | Brief description & Web link |
|---|---|
| Nomination & Remuneration Policy | This policy formulates for selection and to identify persons who are qualified to become Directors of the Company and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees. https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-2022.pdf |
| Dividend Distribution Policy | The policy provides the framework of the Company in relation to the calculation, declaration and settlement of the dividends and the determination of the form and time periods within which Dividends are paid. https://www.canfinhomes.com/pdf/Dividend-Distribution-Policy-2021-22.pdf |
| Related Party Transactions Policy | The policy regulates all the transactions between the Company and its related parties. https://www.canfinhomes.com/pdf/Related-Party-Transactions-Policy.pdf |
| Whistle Blower Policy | The Company has adopted a whistle-blower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. https://www.canfinhomes.com/pdf/Whistle-Blower-Policy-2021-22.pdf |
| CSR Policy | The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to socio economic development in rural areas, improve education, eradicate extreme hunger and poverty, promote gender equality and empowering women, reducing child mortality and improving maternal health, health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, promoting and protecting natural heritage and culture and such other matters of common good. https://www.canfinhomes.com/pdf/CSR-Policy-2021-22.pdf |
| Policy for determining Materiality for Disclosures | This policy provides for the material events requiring disclosures, mandatory as well as based on the decision as to the materiality for disclosure to stock exchanges as well as on the website of the Company in terms of Reg.30 of SEBI (LODR) Regulations,2015. https://www.canfinhomes.com/pdf/Disclosure-of-material-events-or-information-2021-22.pdf |
| Familiarisation Policy | This policy is aimed at familiarising the Independent Directors with the Company, their roles, rights, responsibilities, nature of the Industry in which the Company operates, business model of the Company, apprise them of the change in the applicable laws and regulations from time to time etc. through various familiarisation programs, presentations and informatory notes. https://www.canfinhomes.com/pdf/Familiarisation-Policy-120419.pdf |
| Archival Policy | The provisions of Archival policy defines the time period for which material events / information shall continue to be hosted on the website of the Company & the status thereafter. https://www.canfinhomes.com/pdf/Archival%20Policy%20for%20FY%202021-2022.pdf |
| Code of Conduct for Directors, Independent Directors and Senior Management | The Company has adopted the Code of Conduct and ethics for Directors, Independent Directors and Senior Management Personnel. https://www.canfinhomes.com/pdf/Code-Of-Conduct-for Directors-120419.pdf https://www.canfinhomes.com/pdf/Code-Of-Conduct-for-Independent-Directors-120419.pdf https://www.canfinhomes.com/pdf/Code-Of-Conduct-for-Senior-Management-Personnel-120419.pdf |
| Code of Fair Disclosure | The purpose of this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is to clearly outline the procedures and practical guidelines that would be followed by the Company for transparent, regular, consistent and timely public disclosure and dissemination of unpublished price sensitive information. https://www.canfinhomes.com/pdf/Code-of-Conduct-on-PIT-Fair-Disclosure-of-UPSI-20032021.pdf |

# Annexure-6

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

### SECTION A: GENERAL DISCLOSURES

**I. Details**

| | | |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L85110KA1987PLC008699 |
| 2. | Name of the Company | CAN FIN HOMES LIMITED |
| 3. | Year of Incorporation | 1987 |
| 4. | Registered office address | No.29/1, 1st Floor,<br>Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 |
| 5. | Corporate address | No.29/1, 1st Floor,<br>Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 |
| 6. | E-mail id | compsec@canfinhomes.com<br>development@canfinhomes.com |
| 7. | Telephone | +91-080-48536192 |
| 8. | Website | www.canfinhomes.com |
| 9. | Financial year for which reporting is being done | Financial year 2021-22<br>(April 1, 2021 to March 31, 2022) |
| 10. | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) |
| 11. | Paid-up capital | ₹ 2,663.31 (in lakh) |
| 12. | Name and contact details of the person who may be contacted in case of any queries on the BRSR report | Veena G Kamath<br>DGM & Company Secretary<br>Telephone number - +91-80-48536192<br>E-mail id - compsec@canfinhomes.com,<br>development@canfinhomes.com |
| 13. | Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Disclosures made in this report are on a standalone basis and pertain only to 'Can Fin Homes Ltd'. |

**II. Products/services**

14. Details of business activities (accounting for 90% of the turnover)

| S. No. | Description of main activity | Description of business activity | % of turnover |
|---|---|---|---|
| 1. | Housing Finance | To carry on the business of providing long term finance on such terms and conditions as the Company may deem fit, to individuals, Co-operative Societies, Association of Persons, Companies or Corporations, or such other persons or entities for purchase of plots, houses, flats, apartments and/or construction, repair, renovation and/or upgradation of houses, flats or apartments for residential purpose.<br>To carry on the business of providing loans to persons and other entities engaged in the business of construction of houses or flats for residential or non-residential/ commercial purpose upon such terms and conditions as the Company may think fit and proper;<br>To carry on the business of providing loan to individuals, Co-operative Societies, Association of Persons, Companies or Corporations or such other persons or entities for any purpose, upon such securities and on such other terms and conditions as the Company may think fit and proper.<br>Further details are provided in the Management Discussion and Analysis section of this Annual Report. | 99.99 |

15. Products/services sold by the Company (accounting for 90% of the turnover)

| S. No. | Product/Service | NIC Code | % of total turnover contributed |
|---|---|---|---|
| 1. | The Company's main business is providing housing loans for purchase of ready built house/flat, construction of house, purchase of flat under construction, purchase of site/plot & construction thereon, extension/ repairs & renovation/upgradation, commercial real estate. Company also offers non-housing loans including mortgage loans, site/plot loans, loans for commercial properties, loan against rent receivables, top up loans and personal loans.<br>As at March 31, 2022, in terms of the composition of loans, 90% of loan book comprises Housing Loans and 10% Non-Housing Loans. The average ticket size of the loan is ₹ 21 lakhs in respect of housing Loans and ₹ 9 lakhs for non-housing loans. | 64192 | 99.99 |

## III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | Not Applicable* | 201# | 201# |
| International | | 0 | 0 |

*The Company is a Non-Banking Financial Company - Housing Finance Company (NBFC-HFC) and hence does not undertake any manufacturing activity.

#Includes 12 Satellite Offices as on July 01, 2022.

17. Markets served by the entity

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of states) | Pan-India 21 States |
| International (No. of countries) | Nil |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable.

c. A brief on types of customers

Can Fin Homes Ltd is one of the top players in the housing finance sector in the country today. As at March 31, 2022, the Company had cumulatively disbursed ₹ 51,859 Cr.

The Company strives to ensure a prudent mix of lending to all income segments. However, the Company primarily targets the affordable housing segment where the demand for home loans is buoyant. Salaried class constitutes about 75% of our lending segment and Self-employed/Non-Professional Segment constitutes 25%.

Housing Loan Approvals to Customers Based on Income Slabs in FY22

| Category | Household Income per annum | Home Loan Approvals in FY22 | |
|---|---|---|---|
| | | % in Value Terms | % in Number Terms |
| Economically Weaker Section | Up to ₹ 3 lac | 7.28 | 14.97 |
| Low Income Group | Above ₹ 3 lac up to ₹ 6 lac | 31.02 | 38.64 |
| Middle Income Group | Above ₹ 6 lac up to ₹ 18 lac | 53.06 | 41.78 |
| High Income Group | Above ₹ 18 lac | 8.63 | 4.60 |
| **Total** | | **100.00** | **100.00** |

Based on individual loans disbursed during the year, the key characteristics of individual loans were:

- 75% were salaried customers, while 25% were self-employed (including professionals).
- The average size of individual housing loans stood at ₹ 21 lakh.
- The average loan to value ratio at origination was 61%.
- The average age of the customer was 35 years.

The number of home loan customers who have availed benefits under the Credit Linked Subsidy Scheme (CLSS) – a component of the government's flagship 'Housing for All' scheme is 29579. As at March 31, 2022, cumulative loans disbursed by CFHL under CLSS stood at ₹ 4588.53 Cr.

### Depositors:

The Company also has a large number of depositors, which predominantly comprise retail depositors. As at March 31, 2022, total outstanding deposits stood at ₹ 502 Cr and the number of deposit accounts stood at 8463.

Apart from direct deposits from the Public comprising Individuals, Trusts etc., CFHL also enlists Deposit agents to source deposits for the Company.

## IV. Employees

### 18. Details as at March 31, 2022

a. Employees (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | | EMPLOYEES | | | | |
| 1. | Permanent (D) | 799 | 599 | 75 | 200 | 25 |
| 2. | Other than permanent (E) | 110 | 85 | 77 | 25 | 23 |
| 3. | **Total employees (D + E)** | **909** | **684** | **75** | **225** | **25** |

**Note:** All of Company's workforce is categorized as 'Employees' and not as 'Workers'. Hence in all the sections, details sought of the 'Workers' category are Not Applicable to Company.

Other than Permanent category includes contract employees and employees deputed from parent Bank.

b. Differently abled employees

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| | | DIFFERENTLY ABLED EMPLOYEES | | | | |
| 1. | Permanent (D) | 3 | 2 | 67 | 1 | 33 |
| 2. | Other than permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | **Total differently abled employees (D + E)** | **3** | **2** | **67** | **1** | **33** |

**Note:** Differently abled type includes Hearing, Visual, Locomotor, Orthopedic and Others.

### 19. Participation/inclusion/representation of women

| Particulars | Total (A) | No. and percentage of females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 8 | 1 | 12.5 |
| Key Management Personnel | 5 | 2 | 40 |

**Note:** Key Management Personnel (KMP) are Managing Director & Chief Executive Officer (MD & CEO), Dy. Managing Director, General Manager, Chief Financial Officer (CFO) and Company Secretary (CS).

20. Turnover rate for permanent employees

| Particulars | FY22 | | | FY21 | | | FY20 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 8.85% | 2.52% | 11.38% | 3.18% | 1.59% | 4.77% | 5.97% | 1.16% | 7.14% |

**V. Holding, subsidiary and associate companies (including joint ventures)**

21. (a) As at March 31, 2022

| S. No. | Name | Subsidiary/ Associate | % of shares held | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| | | | Not applicable* | |

*CFHL does not have any subsidiary/associate.

**VI. CSR Details**

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 1,98,850.72 Lakhs

(iii) Net worth: ₹ 3,06,662.18 Lakhs

(iv) Total amount spent on CSR for FY22: ₹ 1070.00 Lakhs

**VII. Transparency and Disclosures Compliances**

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)$ | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | - | - | - | - | - | - |
| Investors (other than shareholders) | Yes | - | - | - | - | - | - |
| Shareholders | Yes | 200 | 2 | - | 112 | - | - |
| Employees | Yes | - | - | - | - | - | - |
| Customers& | Yes | 1328 | - | - | 2423 | 1 | - |
| Value Chain Partners | Yes | - | - | - | - | - | - |
| Others | Yes | - | - | - | - | - | - |

&The number of customer complaints in FY21 were more due to the pandemic and branch offices were open with limited staff and customer requirements were met through the Company's website.

*Loan moratorium requests and Credit Linked Subsidy Scheme related issues are excluded.

^Complaints pending as at the financial year end were resolved subsequently.

$ The Company has in place a Grievance Redressal policy and is available at www.canfinhomes.com

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, along with its financial implications as per the following format:

| Sl. No. | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or Opportunity (Positive/ Negative Implications) |
|---|---|---|---|---|---|
| 1. | Affordable Housing | Opportunity | • Fulfilling the demand for affordable housing is one of our objectives.<br>• Rapid urbanization and migration to cities have caused severe housing shortage in India, particularly for economically weaker section. The government's growing thrust for affordable housing through schemes such as Housing for All, Pradhan Mantri Awas Yojana-Credit Linked Subsidy Scheme, RERA, tax benefits and Smart city initiatives are fueling home ownership dreams of the common man. The schemes are aimed at empowering the urban poor, primarily the Low-Income Group (LIG), Economically Weaker Section (EWS) and the Middle-Income Group (MIG I & II) to fulfil their home ownership dreams. There is immense scope to increase home ownership in the country across all income segments.<br>• These initiatives have helped the housing finance industry and the real estate industry to record a better performance during the year. | Strong credit appraisal help mitigate credit risks.<br>We have various sources of funds like Commercial Paper, Bank Borrowings, privately placed Non-Convertible Debentures, Deposits and NHB Refinance Facility to financing Affordable segment. NHB Refinance forms around 22% of our borrowings. The Company maintains a good Asset Liability Management.<br>Increasing trend in rate of interest could be a risk however the Company has annual reset clause in the contracts as a mitigant for this risk | Positive: There is a need to canvass the loans as it helps to reduce credit cost, thereby increasing our earning profile. |
| 2. | Social responsibility towards society | Opportunity | The Company contributes a portion of its profits each year to support projects which fulfill a social obligation.<br>The Company has contributed ₹1 Cr to Prime Minister's Citizen Assistance & Relief in Emergency Situations Fund (PM CARES Fund).<br>Other important areas of CSR include the following:<br>1. Healthcare<br>2. Promoting Education<br>3. Environmental Sustainability<br>4. Sports<br>5. Eradicating hunger<br>6. Welfare measures for differently abled & homeless<br>7. Combat COVID-19<br>8. Animal welfare | Annual Report of Corporate Social Responsibility Activities for the year 2021-22, forming part of Directors' Report provides further details. | Positive:<br>The Company strives to make a positive impact to society at large through its activities with minimal resource footprint. |
| 3. | Talent management Process: | Risk | • To manage the ability, competency and power of employees within an organization. Everything that is done to recruit, develop, retain, reward and make employees perform better is a part of Talent Management.<br>• A successful Talent Management system, which is well-directed, can take the organization to a higher level.<br>• The main object of talent management process is to hire the best talent for the organisation. | The workforce is changing and talent management process also needs to be adapted accordingly. Steps to overcome Talent Management process:<br>1. Ensure that learning is relevant.<br>2. Support micro-learning.<br>3. Provide guidance.<br>4. Foster accountability.<br>5. Training<br>6. Recognition etc., | Negative : Due to growth in financial sector attrition risk is present. However the Company provides training and incentivise the employees for retention. |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or Opportunity (Positive/ Negative Implications) |
|---|---|---|---|---|---|
| 4. | Environmental Footprint: Climate change | Risk | Vagaries of climate affects business activity and people. Therefore, impact of climate changes which could adverse if affect business activities should be assessed. | Risk assessment is a central component of Business Continuity Planning. This involves reviewing potential disruptive events that could affect normal working operations. As a mitigatory measures customers are encouraged to take insurance coverage for both life and property. | Negative |
| 5. | Social Responsibility – Alignment with Local Communities | Opportunity | The business must be aligned with community's larger interest along with company's interests. A cordial relationship with local communities may help the companies to create sustainable relationship. | Job creation, skill development, supporting local relief efforts where required, in times of crisis. | Positive |
| 6. | Corporate Governance – Board oversight, Conflict of Interest, Ethics, Risk and Compliance, Succession Planning | Risk | Company emphasizes the growth with compliance, asset quality with ethical and transparent practices and makes the required disclosures to all including the regulators and stake holders, to upkeep the stake holders trust and to maintain & improve the reputation and good will of the company. | All efforts are taken by the company to comply with the reviews by regulators, Board, etc., to ensure compliances and succession plans and required discussions /notes are presented at periodical intervals. | Positive |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:**

| | |
|---|---|
| P1 | Business should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| P3 | Businesses should promote the wellbeing of all employees |
| P4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| Disclosure questions | P 1 | P 2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| | Ethics & Transparency | Product Responsibility | Human Resources | Responsiveness to Stakeholders | Respect for Human Rights | Responsible Lending | Public Policy Advocacy | Inclusive Growth | Customer Engagement |
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)^ | Yes | Yes | Yes | Yes | Yes | Yes | No* | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/ No) {Refer Note 1} | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| c. Web link of the policies, if available | www.canfinhomes.com/Policies-Codes.aspx<br>Some policies placed on the Company's website may also include a combination of internal policies of the Company and are accessible to all the internal stakeholders. | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| 4. Name the national and international codes/ certifications/ labels/ standards adopted by the Company and mapped to each principle. | Not Applicable.<br>All the policies have been developed based on detailed consultation, experience and research on the best practices adopted across the Industry and the parent Bank. | | | | | | | | |
| 5. Specific commitments, goals, targets set by the Company, with defined timelines, if any | a. Housing for All – Can Fin has left no stone unturned to support the government's flagship housing programme so as to help more Indians acquire homes.<br>b. Our Corporate Social Responsibility activities in the field of education, women empowerment, health care are intended to uplift the downtrodden and provide relief to a large section of the populace in need of economic support.<br>c. Can Fin is gender inclusive and is committed to retain existing and employ more women employees while adhering to standards of merit.<br>d. Can Fin is committed to the 'Save Green Efforts' and consciously strives to promote environment friendly initiatives. | | | | | | | | |
| 6. Performance of the Company against the specific commitments, goals and targets along with the reasons in case the same are not met | a. The Company has 29579 number of beneficiaries under CLSS.<br>b. The Company will meet its CSR targets mainly through its core focus areas which will be expounded each year.<br>c. As at March 31, 2022, women constituted 22% of total employee strength. In terms of new recruits, the share of women employees stood at 27%. 2 out of 5 key Managerial Personnel are women.<br>d. 78 % of the Company's Housing loans sanctioned during the year comprise of affordable houses.<br>e. Scholarships have been provided to 284 students of Government High Schools and first grade colleges.<br>f. Tinker and Mini Science Labs and other infrastructures have been provided to 27 Government Schools.<br>g. Medical equipments like ambulances, Boyles Appartus/ Anesthesia machine, Tonometer, Perimeter, OT Table, Digital - Radiography machine, High Frequency Mobile Digital Radiography system, Prime scan machine, Multi-Para Moniter, NCPAP - Bubble CPAP, NCO - natal ventilator, vertical Autoclave etc. have been provided to various hospitals across the country.<br>h. The Company has provided solar lighting to all houses in the village Annayanadoddi village, Raagi Halli, Jigani near Bengaluru and endeavors to provide such facilities to other villages. The Company has distributed cotton bags to its stakeholders to discourage use of plastic. | | | | | | | | |

| Note 1 | | |
|---|---|---|
| **Principle-wise policies^** | | |
| **P1** | Ethics & Transparency | The Company's Code of Conduct for Senior Management Personnel, Directors, Independent Directors, other Non-Executive Directors, Model Code of Conduct for Direct Selling Agents and Deposit Agents, Code of conduct for Corporate Agents, Fair Practices Code, Whistle Blower Policy, KYC and Prevention of Money Laundering Policy, Guidelines for Reporting on Frauds, Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information, Policy for Determining Material Event or Information, Policy on Related Party Transactions and other internal policies demonstrate ethical behaviour, transparency and accountability. |
| **P2** | Product Responsibility | The Company's Fair Practices Code (FPC) and Most Important Terms and Conditions (MITC) guides this principle. The KYC and Prevention of Money Laundering Policy is also a critical component of product responsibility for the Company. |
| **P3** | Human Resources | To ensure employees well-being the Company has in place the Code of Conduct, Policy on Protection of Women Against Sexual Harassment at the Workplace, Comprehensive Employee Group Health Insurance Policy, Policy on Equal Opportunities, facilities of Staff Loans to Employees (for housing, furniture/fixtures, vehicles), training & Development of employees. In addition, employees are sensitised to prevent wasteful usage of natural resources and conserve energy. |
| **P4** | Responsive to Stakeholders, particularly the marginalised | The Company has been focusing on providing loans for affordable housing and lending to the economically weaker sections and lower income groups. |
| **P5** | Respect for Human Rights | The Company conducts its business in a manner that respects the rights and dignity of all the people, complying with all the legal requirements. In conduct of its day to day business with individuals, CFHL treats every stakeholder with dignity and respect. The grievance redressal mechanism for the stakeholders is in place and the contact details are provided on the website of the Company. |
| **P6** | Responsible Lending | CFHL is firmly committed to being a responsible provider of Housing & Non-Housing Loans. As a responsible lender, CFHL strictly prohibits abusive, misleading or fraudulent lending practices. Additionally, the branches of CFHL, which extend Housing & Non-Housing Loans, provide customers with the information they need to make fully informed decisions about our products and services. They also provide timely response to customer questions and complaints, and take prompt corrective action. |
| **P7** | Public Policy Advocacy | The Company does not directly engage in lobbying or advocacy activities with any trade and chamber of association for the advancement or improvement of public good and hence, does not have a specific policy for this purpose. |
| **P8** | Inclusive Growth | The Corporate Social Responsibility Policy encompasses activities focused on taking initiatives for identifying and funding the activities under various sectors like healthcare, education, welfare measures, disaster management through its in-house teams. |
| **P9** | Customer Engagement | The Code of Conduct, internal policies, fair practice codes and such other guidelines issued by the regulators are covered under this principle. |

## GOVERNANCE, LEADERSHIP AND OVERSIGHT

| | |
|---|---|
| **7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)** | The Company was incorporated in 1987, International year for providing shelter to the homeless, with the key objective of providing loans for home ownership in the country. The Company's average ticket size under housing of ₹ 21 Lakh and non-housing loans of ₹ 9 Lakh reflects the Company's achievement of increasing affordable housing as one of the focused ESG parameters. The borrowers under affordable housing segment comprise low income group and people from economically weaker sections of the Society. The continued focus of the Company towards financing affordable housing and the demand for housing will help the Company in achieving its target towards business responsibility and ESG.<br>The Company has been conducting activities on Corporate Social Responsibilities through its branches pan India supporting the children studying in government schools directly and indirectly. The other activities undertaken by the Company towards various other sectors are provided in detail in the Annual Report of CSR Activities for the year FY 2021-22 annexed to the Report of Directors. The Company has been complying with all the applicable statutory and Regulatory provisions. |
| **8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility (BR) Policy** | Shri Girish Kousgi<br>Managing Director & CEO<br>DIN: 08524205<br>The Corporate Social Responsibility Committee of the Board is Chaired by Shri L V Prabhakar, Chairman of the Company. |
| **9. Does the entity have a specified committee of the board/ director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.** | Yes.<br>The directors and senior management of the Company keep a check on various aspects of economic, social, governance and environmental responsibilities of the Company on an ongoing basis. The various performance parameters under Business Responsibility of the Company are being assessed by the following Committees of the board:<br>(i) the Corporate Social Responsibility Committee;<br>(ii) the Risk Management Committee;<br>(iii) the Audit Committee; and<br>(iv) the Stakeholders Relationship Committee. |

**10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC) by the Company**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency: Annually (A) / Half yearly (H) / Quarterly (Q) / Any other – please specify | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | NA | Y | Y | A | A | A | A | A | A | NA | A | A |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | The above policies of the Company are reviewed periodically by the related department heads and executive directors of the Company. The efficacy of such policies is reviewed and necessary changes to systems, policies and procedures are implemented in tune with regulatory and industrial standards. The policies are reviewed annually except for P7. | | | | | | | | | | | | | | | | | |
| | Y | Y | Y | Y | Y | Y | NA | Y | Y | The Company is in compliance with the applicable statutory requirements, regulations and its internal policies and the same are reviewed on monthly basis. | | | | | | | | |
| **11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency** | The processes and compliances are subject to scrutiny by internal auditors and regulatory compliances by statutory auditors as well as Secretarial Auditors, as applicable. From a best practices perspective as well as from a risk perspective, policies are periodically reviewed and updated by various department heads, business heads and approved by the board.<br>The contents of BR policies are evaluated internally.<br>The parent Bank conducts Management audit. | | | | | | | | | | | | | | | | | |

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7* | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | | | | | | | NA | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | NA | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | NA | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | NA | | |
| Any other reason (please specify) | | | | | | | NA | | |

*The company presently is not a member of any trade and chamber or association.
NA - Not applicable

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1:**

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 4* | Topics include Boardroom Dynamics, Role of the Board, Regulatory Perspective on Role & Responsibilities of Directors, Board Committees, updates on Circulars/ notifications issued by Securities & Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) and National Housing Bank (NHB), Board, composition, roles & responsibilities of Directors, etc. all aspects of Corporate Governance, Financial statements, audit, auditors, risk management, Information Technology, etc. All Independent Directors have attended external training programmes. Updates on all other aspects are provided in the Board room are attended by all directors. | 100% |
| Key Managerial Personnel (KMP) | 4* | All relevant aspects covering effective governance of sustainable development, CSR, Related Party Transactions, significant benefical ownership annual filings, SEBI LODR and all other Circulars/ guidelines issued by the Regulatory authorities. | 100% |
| Employees other than Board of Directors or KMPs | 451^ | Credit Appraisal Methods & KYC Due Diligence, Promoting/ Marketing and Sales, home loans and deposits Customer Service - it's role in business generation, IT Do's and Don'ts, Covid protocols, prevention of Insider trading guidelines, information and cyber security awareness, code of conduct, prevention of sexual harassment at work place, grievance redressal, financial accounting etc. | 50% |

**Notes** - *Details of familiarisation Programmes provided for Independent Directors of the Company during FY 2021-22 can be accessed from our website: https://www.canfinhomes.com/pdf/CFHL-Familiarisation-Programme-FY-2021-22.pdf

^All employees of the Company undergo various training programs throughout the year. Due to Covid pandemic, during the year, most trainings happened virtually along with e-learning modules.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions in FY22

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions | Amount (In ₹) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | | National Housing Bank | 29,13,234 | National Housing Bank vide its letter dated 11/06/2021, has imposed a penalty of ₹ 29,13,234/- plus applicable GST @18%, on the Company. NHB had observed that the Company had accepted individual deposits aggregating to ₹ 14,56,617/- from five small depositors for a period of less than 12 months, in contravention with provisions of Para 4 of the HFCs (NHB) Directions, 2010. The Company had replied to NHB that five deposits aggregating to ₹ 14,56,617/- (out of about 4000 deposits), were accepted in the year 2018-19 for a tenure of less than 12 months by three of its branches inadvertently. NHB has imposed a penalty of twice the amount of deposits collected, i.e., ₹ 29,13,234/- | Yes |
| Settlement | | - | - | - | - |
| Compounding Fee | | - | - | - | - |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial Institutions | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | | | | |
| Punishment | | | | Nil |

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory / enforcement agencies /judicial institutions |
|---|---|
| Appeal preferred under NHB Act. | National Housing Bank |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. Can Fin Homes Ltd., is committed to setting up utmost standards for transparency and accountability in all its affairs. Can Fin Homes Ltd., strives to attain its mission through compliance of high legal and ethical standards. The Company has set out the responsibilities of its employees in observing and upholding Company's commitment to Ethical Practices in all its endeavors in the code of conduct for senior management personnel.

The Company believes in empowerment and has delegated decision-making powers to appropriate levels in the organizational hierarchy. Each executive and employee is similarly accountable for the functions and responsibilities entrusted to him/her. The Company believes that transparency increases accountability and scrutiny. Every employee of the Company shall conduct himself/herself professionally and deal on behalf of the Company with honesty and integrity while conforming to high ethical standards.

The Board attaches utmost importance to transparency and applies a "zero tolerance" approach to acts of bribery and corruption by any of its employees. Any breach is regarded as a serious matter and is likely to result in serious disciplinary action which could ultimately lead to dismissal.

The Code of Conduct is extended to all the employees. The policy is placed on the Company's website, https://www.canfinhomes.com/policies-codes.aspx

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law

| | FY22 | FY21 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |

6. Details of complaints with regard to conflict of interest

| | FY22 | | FY21 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of directors | – | – | – | – |
| Number of complaints received in relation to issues of conflict of interest of KMPs | – | – | – | – |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

No such occurrences happened.

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the financial year.

| Total number of awareness programmes held | Topics / principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| Holding awareness programs for value chain partners is an ongoing process. All branches conduct meetings with the value chain partners for appraising the products & services of Company and for reiterating code of conduct from time to time. | | Nil |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. The Company has a code of conduct in place for its directors and senior management personnel and the Directors and Senior Management personnel in the Company provide an annual declaration in the this regard.

Conflict of interest scenario primarily arise when there is a related party transaction. A Board approved Policy on Related Party Transactions is also in place.

**PRINCIPLE 2:**

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| Amount in ₹ lakh | FY 2021-22 | FY 2020-21 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | Nil | Nil | Being a financial organisation, our R&D is limited to designing new products & services/ digitisation of processes, the cost of which is included in Capex, wherever applicable |
| Capex | 6.66% | 14.64% | The CAPEX is incurred for digitalisation of the customer end to end journey. It eliminates the collection and filing of physical documents which considerably involves time and effort. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   The Company is not as such involved in manufacturing activity, therefore the reporting on sustainable sourcing is not applicable.

   b. If yes, what percentage of inputs were sourced sustainably?

   Not applicable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   Can Fin Homes Ltd. Is a housing finance company and does not manufacture any products. Hence this question is not applicable to the company's operations.

   Given the nature of the business, the Company has limited scope to use recycled material as processed inputs. However, the Company has systems in place at an all-India level to manage e-waste. The Company engages with certified e-waste handlers for disposal of e-waste like computers, printers & scanning machines. Approximately 370 kgs of e-waste generated was disposed through authorized recyclers in FY22. The Company uses local vendors for disposal of paper for recycling.

   The Company disposes storage media securely, when no longer required, using formal procedures/guidelines. The Company verifies all items of equipment containing storage media, to ensure that any sensitive data and licensed software has been removed or securely overwritten prior to disposal or re-use.

   Expiry of useful life, obsolete technology, defects beyond repairs etc. are the key factors for deciding the disposal of equipment.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   No. EPR is not applicable to the Company

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|---|---|---|---|---|
| 64192 | Housing Finance | 99.99% | As detailed below* | Yes | Yes |

*The primary business activity of the Company is providing housing finance. The loan cycle is a sequential process ranging from sourcing of the loan to loan approval, disbursement, servicing and repayment of the loan. Details are elucidated below:

Sourcing of Loans

Individual home loans are sourced directly as walk-in applications at Company's branches, through the online portal or through channel partners.

Loan Processing

- Credit Appraisal

  All loans are processed by the Branch heads. The appraisal process for determining the loan eligibility involves underwriting of the submitted documents and undertaking various checks to ensure authenticity of the documents, genuineness of the transaction and compliance with all regulations. The credit underwriting process is digitally enabled. Supporting documentation for loan appraisals are digitally enabled. This has helped to reduce paper consumption. The digital fetch tools helps in faster authentication of supporting documentation such as income tax returns and GST returns, bank analyser statements amongst others. The Company is in the process of technology transformation to Core Business to become future ready to embrace new digital technologies and build a competitive advantage.

- Legal Appraisal

  The required title and other documents pertaining to the individual property being financed are verified by empanelled Lawyers to ensure that the title is clear and marketable and can be mortgaged in favour of the Company.

- Technical Appraisal

  Simultaneously, the technical appraisal process involves verification of property by the Branch officials and collection of valuation reports from empanelled valuers to ascertain the approach and the value of property.

Disbursement

Disbursement process commences after approval of the loan and verification of requisite documents.

Repayment & Closure

Once the loan is fully repaid/prepaid, the original/copy of title documents for the property with any other documents procured during the legal process are then released and handed over to the customer with a mortgage release letter stating that all dues towards the loan has been fully repaid.

Deposits

Sourcing of the deposit could be directly by the customer or through a deposit agent. The requisite KYC checks and other information details of depositors are collected and reviewed to ensure compliance with extant regulations. Post this, a deposit certificate is issued to the customer. Periodic intimations are sent to customers and upon maturity, the deposits are either renewed or repaid to the customer.

Grievance Redressal Mechanism

As part of the Grievance Redressal policy, the Company has a complaint management system to record and redress grievances/ feedback from customers, which helps in ensuring standard operating procedures and enhancing service standards. The Grievance Redressal department ensures a timely resolution and sending appropriate responses and meets the requirements of the customers.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| | Not applicable | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2021-22 | FY 2020-21 |
| | Not applicable | |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | Not applicable/ We are a housing finance Company, we don't manufacture any products | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| | Not applicable/ We are a housing finance Company, we don't manufacture any products. |

**PRINCIPLE 3:**

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. Details of measures for the well-being of employees

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| | | | | | PERMANENT EMPLOYEES | | | | | | |
| Male | 599 | 599 | 100 | 599 | 100 | NA | NA | - | - | - | - |
| Female | 200 | 200 | 100 | 200 | 100 | 200 | 100 | - | - | - | - |
| **Total** | **799** | **799** | **100** | **799** | **100** | **200** | **25** | **-** | **-** | **-** | **-** |
| | | | | | OTHER THAN PERMANENT EMPLOYEES | | | | | | |
| Male | 85 | - | - | - | - | - | - | - | - | - | - |
| Female | 25 | - | - | - | - | 25 | 100 | - | - | - | - |
| **Total** | **110** | **-** | **-** | **-** | **-** | **25** | **23** | **-** | **-** | **-** | **-** |

2. Details of retirement benefits for the current and previous financial year

| Benefits | FY 2021-22 | | FY 2020-21 | |
|---|---|---|---|---|
| | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.)* | No. of employees covered as a % of total employees | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | Y | 100 | Y |
| Gratuity | 100 | Y | 100 | Y |
| Employee State Insurance (ESI) | 9.09 | Y | 8.87 | Y |
| Others- please specify^ | 100 | NA | 100 | NA |

*The Company has an exempt Provident Fund Trust and Gratuity Trust.

^ Leave encashment benefit on supermmuation is applicable to retiring employees.

3. Accessibility of workplaces

Are the premises/offices of the Company accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. The offices are accessible to differently abled employees. Most of the offices of the Company are located in commercial premises which are either on the ground floor or have elevators and infrastructure for differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company has adopted an Equal Opportunity Policy in accordance with the applicable provisions and provides a framework which is committed towards the empowerment of persons with disabilities. The Company has been providing equal employment opportunities without any discrimination on the grounds of age, color, disability, race, caste, sex and religion. The policy is available on the Company's intranet and is available to internal stakeholders.

5. Return to work and retention rates of permanent employees that took parental leave.

| Gender | Permanent employees | |
|---|---|---|
| | Return to work rate | Retention rate |
| Male | NA | NA |
| Female | 100% | 100% |
| **Total** | **100%** | **100%** |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Employees | Yes |
| Other than Permanent Employees | |

The Company has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management. The Company has always followed an open door policy, wherein any employee irrespective of hierarchy has access to the senior management.

In addition, the Whistle blower policy provides a formal platform to share grievances on various matters. The details of the grievance mechanism is shared with employees. New recruits are also sensitised on the whistle blower mechanism and forms part of the employee induction programme.

The Company has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on the Company's intranet. The ICC comprises majority of women members.

The Company on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

## 7. Membership of employees in association(s) or unions

The Company does not have any employee associations.

## 8. Details of training given to employees

| Category | FY 2021-22 | | | | | FY 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On health and safety/ wellness measures | | On skill upgradation | | Total (D) | On health and safety measures/ wellness | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| | | | | EMPLOYEES | | | | | | |
| Male | 684 | - | - | 337 | 49 | 756 | - | - | - | - |
| Female | 225 | - | - | 109 | 48 | 131 | - | - | - | - |
| **Total** | **909** | **-** | **-** | **446** | **49** | **887** | **-** | **-** | **-** | **-** |

**Note:** Includes training given to employees who have resigned/retired during the year. Some of the training programmes offered under skill upgradation are mandatory. Hence, all employees have been considered under such training programmes.

## 9. Details of performance and career development reviews of employees

| Category | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| | | EMPLOYEES | | | | |
| Male | 684 | 684 | 100 | 756 | 756 | 100 |
| Female | 225 | 225 | 100 | 131 | 131 | 100 |
| **Total** | **909** | **909** | **100** | **887** | **887** | **100** |

1. All employees of the Company undergo on a Quarterly performance appraisal process as determined by the Company.
2. At the end of year, based on the quaterly performances an annual performance appraisal for each of the employees is made which is used for promotions, placements etc.
3. The underlying philosophy of the performance management system is to have a fair and transparent system of appraisal, which ensures an objective mechanism to measure each employee's performance and the variable pay component is based on the scores of such appraisals.

## 10. Health and safety management system

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Owing to the nature of the business, per se there are no occupational health and safety risks due to the nature of the work. Owing to COVID-19 induced pandemic, health and safety issues became paramount for both employees/visitors in the office premises and for field staff and periodic internal communication and alerts were sent to employees regarding COVID-19 protocols on safety related aspects.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Given the nature of business, this is not directly applicable. However, in light of the pandemic, the Company recognizes the risks of infections that could take place in the office premises. To minimise these risks, the Company took necessary precautions at the offices, which included sanitisation of all office premises, removal of biometric scanners, installation of thermal scanners, daily communication updates, working in shifts, restricted movements in common areas and avoidance of large gatherings. The Company also adhered to all the government directives and issued travel and health advisories to its employees and advised its employees to work from home as required or on a rotational basis to ensure employee safety and business continuity.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Given the nature of business, this is not directly applicable. However, in light of the pandemic, the Company has necessary protocols and systems in place to ensure employees' safety is not compromised at the workplace and intimation of symptoms/ infections by employees/their family is done. The Company has organised vaccination Camps for its employees in an endeavor to urge all employees and their families to get vaccinated.

d. **Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All employees of the Company are covered under the company's health insurance and personal accident policy.

## 11. Details of safety related incidents

| Safety Incident/Number | Category | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Permanent Employees | Nil | Nil |
| Total recordable work-related injuries | | | |
| No. of fatalities (safety incident) | | | |
| High consequence work-related injury or ill-health (excluding fatalities) | | | |

## 12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company emphasizes on the importance of maintaining a safe and healthy workplace for all employees.

During the year, there were no accidents of any employee of the Company whilst on duty.

To prevent the spread of COVID-19, the Company took necessary precautions at all its offices, which included sanitisation facilities, social distancing, installation of thermal scanners, removal of biometric scanners and installation of air purifiers which do not use chemicals or produce ozone. Detailed standard operating procedures and guidelines/advisories were issued periodically to the employees of the Company. The Company adhered to directives issued by the government/local authorities pertaining to COVID-19.

13. Number of complaints on the following made by employees

| | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during theyear | Pending resolution at the end of year | Remarks |
| Working conditions | - | - | - | - | - | - |
| Health and safety | - | - | - | - | - | - |

14. Assessments for the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100%^ |
| Working Conditions | 100% |

^The Company has various annual maintenance contracts which deals with various safety practices for its offices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Against the backdrop of the pandemic, the Company has been following standard operating procedures so as to comply with State/local level extant regulations and ensure safety and hygiene protocols and necessary social distancing is being followed by employees, customers and other visitors on any of the premises of the Company.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)

Yes. The Company has got medical expenses reimbursed through Group Health insurance and in addition offered employment to the spouse of the to deceased employees. Benefits like provident fund, gratuity, superannuation and employees' deposit linked insurance, as applicable, are settled on a priority basis.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Can Fin ensures that statutory dues as applicable to the transactions are deducted and deposited in accordance with extant regulations. This activity is also reviewed during statutory audit. Can Fin expects its value chain partners to uphold business responsibility principles and values of transparency and accountability.

3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected employees | | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY22 | FY21 | FY22 | FY21 |
| Employees | | | Not applicable. There were no work-related injuries. | |

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Since inception, the Company has not undertaken any retrenchment of employees owing to business exigencies or employees not having the requisite skills to do the required job. Skill upgradation of all employees remains a continuous activity in the Company. Given the low attrition rates and long duration of service of most employees, transition assistance programmes for retirees are not found to be compelling as the employees are mostly high skilled.

5. Details on assessment of value chain partners

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | The Company expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions. These parameters are not explicitly captured or measured. |
| Working conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There was no need for any corrective action plan for the above.

**PRINCIPLE 4:**

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company's key stakeholders comprise Promoters, Employees, Customers, Business Associates including bankers, Recovery Agents, Investors, Direct Selling Agents, Suppliers and Regulatory Agencies. Our investors include Share Holders (comprising Individual Investors, Corporate Bodies, Foreign Institutional Investors, Indian Institutional Investors, Foreign Bodies, NRIs etc.), debenture-holders and CP holders.

CFHL and its employees strive to provide value based services to the stake holders. The Company is in constant touch with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Key Stakeholders | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | Direct & other communication mechanisms | Daily | To motivate for business, address their concerns, if any, etc. |
| Shareholders/ Investors | No | Email, SMS, newspaper advertisement, website, Annual General Meetings, intimations to stock exchanges, annual/ quarterly financials and investor meetings/ conferences, Annual Reports. | Periodical and need based | To keep them informed of developments in the Company and to provide clarifications. |
| Customers | Yes, qualification based on specified criteria such as income, gender, etc. | Multiple channels like SMS, emails, letters, Company website, Notice Board, meetings. | Frequent and need based | To keep them updated about the status of their loan, changes in rate of interest, etc. as per the fair practices code of the Company. |
| Channel Partners and Key partners | No | Multiple channels like meetings, Annual Report – both physical and digital. | Frequent and need based | To appraise them about the products, changes in rate of interest, if any, the focus of the Company, etc. which helps in growth of business as per the strategy of the Company. |

| Key Stakeholders | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Regulators | No | Email, one-on-one meetings, concalls, video-conference, annual report, website | Periodical and need based | Discussions with regard to various regulations and amendments, inspections, approvals, clarifications, compliance etc. |
| Research Analysts | No | Email/ concalls, meetings, video-conferences, annual report, website | Need based | Keep abreast of developments in the Company and further explanation, if needed by them, on any matter covered in the Investor Presentations. |
| Communities and NGOs | Yes | Directly and through NGOs as furnished below:<br>• AID India.<br>• SOS children's villages of India, Bengaluru.<br>• STEM Learning Private Limited Yeshwanthpur, Bengaluru.<br>• Rotary Indiranagar, Bengaluru.<br>• Academy for Creating Teaching Trust – ACT<br>• Samarthanam Trust for the Disabled.<br>• Vishranthi Trust<br>• Such other NGOs. | Purpose and Need based | To conduct activities under Corporate Social Responsibility. |

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Can Fin maintains continuous and hands on dealings with our key stakeholders for communicating its strategies and performance effectively. Continuous interactions help align expectations and helps Can Fin Homes to provide better service to its stakeholders. The board is kept well informed with regard to several developments and feedback from the Directors is sought for all important issues in the meetings of Board and Board Committees.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. Can Fin interacts with various stakeholders to enable the expansion of the housing market and ensuring the increase of home owners since the same helps in increase of housing stock in the Country. The Company is still learning various evolving aspects of ESG, based on the feedback from stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

   The Company's average ticket size under housing is ₹ 21 Lakh and non-housing loans is ₹ 9 Lakh which reflects the achievement of the focus of the Company towards increasing affordable housing as one of the ESG parameters. The borrowers under affordable housing segment comprise low income group and people from economically weaker section of the Society. The

continued focus of the Company towards financing affordable housing and the demand for housing will help the Company in achieving its target towards business responsibility and ESG. The Annual Report on CSR activities as on March 31, 2022 is placed as Annexure-2 to the Report of Directors.

**PRINCIPLE 5:**

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicator

1. Employees who have been provided training on human rights issues and policy(ies) of the Company

| Category | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees covered (B) | % (B/A) | Total (C) | No. of employees covered (D) | % (D/C) |
| | EMPLOYEES | | | | | |
| Permanent | 799 | 365 | 46 | 756 | - | - |
| Other than permanent | 110 | 86 | 78 | 131 | - | - |
| **Total Employees** | **909** | **451** | **50** | **887** | **-** | **-** |

**Note:** The training pertains to the Code of Conduct for employees and Policies of the Company.

2. Details of minimum wages paid to employees

| Category | FY22 | | | | | FY21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| | EMPLOYEES | | | | | | | | | |
| **Permanent** | **799** | **NIL** | **NIL** | **799** | **100** | **756** | **NIL** | **NIL** | **756** | **100** |
| Male | 599 | NIL | NIL | 599 | 100 | 575 | NIL | NIL | 575 | 100 |
| Female | 200 | NIL | NIL | 200 | 100 | 181 | NIL | NIL | 181 | 100 |
| **Other than Permanent** | **110** | **NIL** | **NIL** | **110** | **100** | **131** | **NIL** | **NIL** | **131** | **100** |
| Male | 85 | NIL | NIL | 85 | 100 | 101 | NIL | NIL | 101 | 100 |
| Female | 25 | NIL | NIL | 25 | 100 | 30 | NIL | NIL | 30 | 100 |

3. Details of remuneration/salary

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (₹) | Number | Median remuneration/ salary/ wages of respective category (₹) |
| Board of Directors (BoD) (Whole-time directors) | 2 | 60,26,904 | 0 | 0 |
| Key Managerial Personnel (other than BoD) | 1 | 18,13,494 | 2 | 20,37,288 |
| Employees other than BoD and KMP* | 600 | 69,393 | 195 | 40,182 |

*Includes only employees who have worked for the entire 12-month period.

**Note:** Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis every quarter end and provision is made in the books accordingly.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The General Manager of the Company oversees the human resources function. In addition, the Executive Directors are responsible for addressing any human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company conducts its business in a manner that respects the rights and dignity of all the people, complying with all the legal requirements. All individuals or institutions impacted by the Company's business are provided access to grievance redressal mechanism.

Reporting avenues have been provided for CFHL employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, policies or law including human rights violation. The Company also has Whistle Blower mechanism in place.

The Company strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company maintains a safe and harmonious business environment and workplace for everyone, irrespective of the ethnicity, region, race, caste, gender, religion, disability, work, designation and such other parameters. CFHL believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, CFHL has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.

CFHL also has zero tolerance towards and prohibits all forms of slavery, coerced Labour, child Labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, Company does not hire any employee or engage with any agent or vendor against their free will.

6. Number of complaints on the following made by employees

| | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | Nil | Nil | Nil | Nil | Nil | Nil |
| Discrimination at workplace | Nil | Nil | NIL | Nil | Nil | Nil |
| Child Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Forced Labour/ Involuntary Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Wages | Nil | Nil | Nil | Nil | Nil | Nil |
| Other human rights related issues | Nil | Nil | Nil | Nil | Nil | Nil |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Concerns on discrimination and harassment, if any, will be dealt with confidentially. CFHL does not tolerate any form of retaliation against the complainant. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The Company continues to be an employer for all diversity groups - gender identity, disability, caste, creed, colour, religion, marital status, age, language and any other aspects as applicable, to create and foster an open culture of inclusion for all its stakeholders; and to create an environment which has zero tolerance for discrimination.

CFHL also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Company are responsible for conducting inquiries pertaining to such complaints. The Company on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, in certain agreements and contracts where relevant.

9. Assessments for the year

| | % of offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | The Company is in compliance with the laws, as applicable. There have been no observations by local/ statutory / third parties in FY 2022. |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – please specify | |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Company believes in the basic principles of human rights in all its dealings and the same is in alignment with its Human Rights Statement. The Company regularly sensitises its employees on the Code of Conduct through training programmes as well.

2. Details of the scope and coverage of any human rights due-diligence conducted.

See response above.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Registered Office and branch offices of the Company are located in commercial premises which may be on the ground floor or have elevators.

4. Details on assessment of value chain partners

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | The Company expects its value chain partners to adhere to the same values, principles and business ethics followed by the Company. No specific assessment in respect of value chain partners has been carried out other than certain covenants where some of these parameters are being monitored closely in certain arrangements. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated by the Company during the year under review.

**PRINCIPLE 6:**

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| Total electricity consumption (A) | ₹ 1,42,64,120 | ₹ 1,30,21,210 |
| Total fuel consumption (B) | ₹ 61,90,119 | ₹ 46,97,428 |
| Energy consumption through other sources (C) | Nil | Nil |
| **Total energy consumed from non-renewable sources (A+B+C)** | ₹ 2,04,54,239 | ₹ 1,77,18,638 |
| Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees) | Nil | Nil |

*The Company has solar lighting and other electrical fittings in some of its branches. However, the consumption through other sources is to a small extent and hence not measured.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
If yes, name of the external agency.

Not applicable.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No/Not applicable.

3. Provide details of the following disclosures related to water.

The Company's usage of water is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed judiciously in the office premises.

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Water withdrawal by source (in kiloliters)** | | |
| (i) Surface water | Nil | Nil |
| (ii) Groundwater | Nil | Nil |
| (iii) Third party water | Nil | Nil |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others – Rainwater utilized | Nil | Nil |
| **Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)** | Nil | Nil |
| **Total volume of water consumption (in kiloliters)** | Nil | Nil |
| **Water intensity per rupee of turnover (Water consumed / turnover)** | Nil | Nil |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?
If yes, name of the external agency.

Not applicable

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

5. Please provide details of air emissions (other than GHG emissions) by the entity.

Not applicable.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

| Parameter* | Unit | FY22 | FY21 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | Not available | Not available |
| **Total Scope 2 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | Not available | Not available |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | | Not available | Not available |
| **Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity** | | Not available | Not available |

Our Scope 1 emission includes emissions from consumption of fuels in backup generators and Company owned vehicles for which allowances is provided to executives by the Company.

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

Not applicable.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is endeavoring to reduce its own GHG emissions pertaining to its office activities through installation of solar panels where feasible.

The Company has started using LED lights, solar panels, energy efficient Inverters and Air conditioners.

8. Provide details related to waste management by the entity

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | Not available | Not available |
| E-waste (B) in Kgs | 370 | 600 |
| Bio-medical waste (C) | Not applicable | Not applicable |
| Construction and demolition waste (D) | Not applicable | Not applicable |
| Battery waste (E) | Not applicable | Not applicable |
| Radioactive waste (F) | Not applicable | Not applicable |
| Other Hazardous waste. Please specify, if any. (G) | Not applicable | Not applicable |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | Not applicable | Not applicable |
| Total (A+B + C + D + E + F + G + H) | 370 | 600 |
| **For each category of waste generated, total waste recovered through recycling, re- using or other recovery operations (in metric tonnes)** | | |
| Category of waste | | |
| (i) Recycled | Not applicable | Not applicable |
| (ii) Re-used | Not applicable | Not applicable |
| (iii) Other recovery operations | Not applicable | Not applicable |
| Total | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not applicable.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company.

The Company has various systems in place to manage e-waste. The Company engages with certified e-waste handlers for disposal of e-waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

| Sl. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Nil | Nil | Nil | Nil |
| | | Not Applicable as there are no operations near the above-mentioned zones. | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not applicable. | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes. CFHL has been compliant with applicable environment laws and regulations.

Based on the nature of business, the Company is following applicable environmental law/ regulations/ guidelines/ norms. No fine/ penalty/action was initiated against the entity under any of the applicable environmental laws/ regulation/ guidelines.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non - compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Nil | | | | |

Leadership Indicators

1. Provide break-up of the total energy consumed from renewable and non-renewable sources

This information has been covered in Principle 6, Q1 of the Essential Indicators

| Parameter | FY 2022 (Current Financial Year) | FY 2021 (Previous Financial Year) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | --- | --- |
| Total fuel consumption (B) | --- | --- |
| Energy consumption through other sources (C) | --- | --- |
| **Total energy consumed from renewable sources (A+B+C)** | --- | --- |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | | |
| Total fuel consumption (E) | --- | --- |
| Energy consumption through other sources (F) | --- | --- |
| **Total energy consumed from non-renewable sources (D+E+F)** | --- | --- |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable.

2. Provide the following details related to water discharged:

Not reported this year, the quantities are not expected to be materially significant.

| Parameter | FY 2021-22 | FY 2020-21 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kiloliters)** | | |
| **(i) To Surface water** | --- | --- |
| - No treatment | --- | --- |
| - With treatment – please specify level of Treatment | --- | --- |
| **(ii) To Groundwater** | --- | --- |
| - No treatment | --- | --- |
| - With treatment – please specify level of Treatment | --- | --- |
| **(iii) To Seawater** | --- | --- |
| - No treatment | --- | --- |
| - With treatment – please specify level of Treatment | --- | --- |
| **(iv) Sent to third-parties** | --- | --- |
| - No treatment | --- | --- |
| - With treatment – please specify level of Treatment | --- | --- |
| **(v) Others** | --- | --- |
| - No treatment | --- | --- |
| - With treatment – please specify level of Treatment | --- | --- |
| **Total water discharged (in kiloliters)** | --- | --- |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

Not reported this year, the quantities are not expected to be materially significant as our operations do not involve water extraction for any industrial purposes. Our water consumption is limited to drinking and domestic consumption.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format

Not applicable.

| Parameter | Unit | FY 2021-22 | FY 2020-21 |
|---|---|---|---|
| **Total Scope 3 emissions**<br>(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | - | - |
| **Total Scope 3 emissions per rupee of turnover** | | - | - |
| **Total Scope 3 emission intensity**<br>(optional) – the relevant metric may be selected by the entity | | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Not applicable.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| | | Nil | |

Not Applicable as there are no operations near the above-mentioned zones.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| | | Nil | |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has a Business Continuity plan in place.

Availability of applications forms the critical component of BCP (Business Continuity Planning) Regular, disaster recovery drill is a must to mitigate any unforseen event. Disaster drills are conducted at regular intervals to ensure the set procedures are working as defined within the defined Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO). Stakeholders are enabled on the process to be followed as response to disaster through active participation in Disaster Drills.

Disaster Drills are audited as parts of is audits through certified auditors. Observations received from such audits are Considered as a part of continuous improvements.

The plan is reviewed at periodic intervals and the management and board are kept abreast of any developments or changes in the BCP.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

   Given that the company is in the business of providing housing finance, there has been no adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

   None.

**PRINCIPLE 7:**

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   Nil

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:

| S. No. | Name of the trade and industry chambers / associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| | Not Applicable | |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

   Not applicable.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

| Sl. No. | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|---|---|---|---|---|---|
| | | | Nil | | |
| The Company is a member of the Association of HFCs and actively provides feedback to the regulator through the Association. | | | | | |

**PRINCIPLE 8:**

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes /No) | Results Communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not applicable. | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

| Sl. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In ₹) |
|---|---|---|---|---|---|---|
| Not applicable | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed elsewhere in this report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Not applicable.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not applicable. | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

| Sl. No. | State | Aspirational Districts | Amount spent (₹ in Cr) |
|---|---|---|---|
| Nil | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No. Being in the service sector, except for technology related services, the Company has limited procurement needs. The Company purchases consumables for its daily operations, which are decentralised and preference is given to local suppliers.

(b) From which marginalised /vulnerable groups do you procure? Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable.

6. Details of beneficiaries of CSR Projects

| Sl. No. | CSR Project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | **Combat COVID - 19**<br>To Provide financial support for creating healthcare infrastructure for COVID care, establishment of medical oxygen generation and storage plants, manufacturing and supply of oxygen concentrators, cylinders and other medical equipment for countering covid19<br>To Provide financial support for creating awareness and public outreach on COVID vaccination programme. | 4,000 | The primary objective of the CSR projects of the Company is to Promote education for the under privileged students and to the tribals, Health care measurements, solar energy projects and welfare measures for vulnerable and marginalised communities. |
| 2 | **Contribution to Central Govt.**<br>Contribution to the Prime Minister's Citizen Assistance & Relief in Emergency Situations Fund (PM CARES Fund) | 10,000 | |
| 3 | **Environmental Sustainability**<br>• Conservation of Natural Resources<br>• Renewable energy Projects<br>• Animal welfare | 20,128 | |
| 4 | **Healthcare**<br>• Providing needy equipment's and other items to the hospitals – Govt. hospitals, charitable hospitals managed by trust/ society | 49,200 | |
| 5 | **Promoting Education**<br>• Providing financial assistance / grant / scholarship to poor and meritorious students for persuasion of higher / professional studies.<br>• Providing education materials including books, school bags, etc. to the poor children of government schools or schools situated in rural/backward areas.<br>• Construction / Renovation / repair / up gradation of infrastructural facilities at government schools or schools situated in rural/backward areas<br>• Providing materials such as computers, tables, chairs, benches, fans, lights, blackboards etc.<br>• Providing training facilities to enhance vocational skills to the poor section of the society. | 22,320 | |
| 6 | **Welfare Measures**<br>Providing infrastructure facilities for differently abled, old, homeless and the destitute, like setting up old age homes, day care centers and such facilities | 75 | |
| 7 | **Sports / Tribals**<br>Construction, renovation and maintenance of stadiums, gymnasiums and setting up sport academies. | 409 | |
| 8 | **Eradicating Hunger**<br>Supplementing of Government schemes like mid day meal by Corporates through additional nutrition | 25 | |

**Note:** The primary objective of the CSR project of the Company is to promote education for underprivileged students, tribals, healthcare measures, solar energy projects and welfare measures for vulnerable and marginalised communities.

**PRINCIPLE 9:**

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a systematic Grievance Redressal Mechanism. If the customers have any grievances, they can make a complaint in writing or email addressed to the concerned Branch Manager, mentioning the account number and gist of the complaint. If the branch fails to resolve the complaints within 7 working days or the customer is dissatisfied with the resolution offered, the aggrieved customer may appeal to Grievance Redressal Department by sending an email to grievance.redressal@canfinhomes.com stating the reasons for appeal (OR) grievance can be lodged in CFHL online web-portal https://www.canfinhomes.com/Grievance.aspx (OR) Grievance can be lodged at Grievance Redressal Department Telephone Number 080-26560277 (OR) In cases where internet facility is not available or even otherwise, customers are free to send their grievance by Post to the Grievance Redressal Department. The grievance may be addressed to the Grievance Redressal Department. Contact Details: Grievance Redressal Officer, Can Fin Homes Ltd, No 29/1, Sir. M N Krishna Rao Road, Basavanagudi, Bengaluru 560004.

Grievance Redressal Mechanism: Key Highlights

i. Easy upload and creation of complaints

Any aggrieved customer can update his/her grievance into the Grievance Redressal Portal (`Portal') at the official website of the Company viz., www.canfinhomes.com - a state of the art web based system. All Complaints/Queries/Requests/Suggestions received from the Company's website are auto uploaded to the CFHL Online Web-portal. The Portal will record and categorize grievances into different types and maintain turnaround times (TAT) for specific category / sub-category. Company has escalation mechanism/matrix for cases not resolved within defined TAT. With this the Company shall not only ensure that all the issues are recorded and resolved, but shall also ensure effective monitoring /escalation mechanism to the senior functionary responsible in case of the grievance not being resolved within the defined timelines. Apart from direct grievances from customers, complaints received from various regulatory bodies portals including NHB GRIDS, CPGRAMS, INGRAM (National Consumer Helpline) & Canara Bank (RBI-BO, INGRAM & CPGRAMS) are downloaded from their respective platforms & will be handled by the Grievance Redressal Department at Registered office.

ii. Verification of customer credentials, customer information security

Customer posting complaints from the website need to authenticate their customer credentials via a one-time password. Thereafter, the complaints of verified customers are auto uploaded on the Online Web-Portal. Responses to customer complaints are sent to the registered email Id's to ensure customer information security.

iii. Complaint ID acknowledgement mail and advisory to customers

Soon after uploading the Complaint to the Company's Centralised Online We-portal, instant acknowledgement Email/SMS sent to the complainant's registered Email Id & Mobile Number with unique Complaint Reference Number.

iv. Assignment of Complaints

Depending on the nature of the grievance, specific timelines have been set for different categories. Grievances shall be resolved in a proper and time bound manner with detailed advice to the customer. The Company has a four-tier escalation mechanism/matrix for customer grievances. The customer is kept informed in case of any delay envisaged by the Company in resolution of the grievance beyond the stated timelines. Company to send final response/redressal within One month from the date of acknowledgement or explain to the customer why it needs more time and redress within maximum period of Six weeks of receipt of a complaint.

v. Monitoring and Analysing Complaints

The Company has a regular process of internal review & monitoring with Root Cause Analysis of customer grievances at multiple hierarchies to enhance Quality and effectiveness of customer service. MD & CEO of the Company to review

periodically (i) Customer Feedback (Complaints) and (ii) Grievance Redressal. The Status of Complaints including the nature of Complaints, will be placed before the Stakeholders Relationship Committee of the Board on a quarterly basis.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

Total Number of Grievances received & redressed forms a small & insignificant percentage of the Total Number of Customers of the Company.

3. Number of consumer complaints in respect of the following:

| | FY22 | | | FY21 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | Nil | Nil | | Nil | Nil | |
| Advertising | Nil | Nil | | Nil | Nil | |
| Cyber-security | Nil | Nil | | Nil | Nil | |
| Delivery of essential services | Nil | Nil | | Nil | Nil | |
| Delivery of essential services | Nil | Nil | - | Nil | Nil | - |
| Restrictive Trade Practices | Nil | Nil | | Nil | Nil | |
| Unfair Trade Practices | Nil | Nil | | Nil | Nil | |
| Others | 1328 | Nil | | 2423 | Nil | |

Remarks for FY 22:- pending resolution at the end of the year :- *We have already replied & uploaded our Reply Redressal Reports to Regulatory bodies' Portals such as NHB GRIDS, CPGRAMS & INGRAM. However, there were 22 Grievances as on that date (i.e. 31/03/2022) which were not yet closed. However, subsequently all 22 grievances are marked as closed by NHB, CPGRAMS & INGRAM.

4. Details of instances of product recalls on account of safety issues

Not applicable.

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | -- | -- |
| Forced recalls | -- | -- |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has in place Board approved Cyber Security/ IT Policies and the same are accessible through IBS-intranet.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties/regulatory action has been levied on related to cyber security and data privacy of customers.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all the loan products and services provided by Can Fin Homes are available on the Company's website, www.canfinhomes.com. Additionally, the Company actively utilises various social media and digital platforms to impart information as well as propagate its loans and deposits.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Most Important Terms and Conditions (MITC) provides extensive information and ensures transparency on lending products. The Fair Practices Code is accessible on the Company's website, www.canfinhomes.com

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Kindly refer to details on Business Continuity and Disaster Management which has been elucidated under Principle 6.

During the year, there were no major disruptions of critical services of the Company.

During the COVID-19 pandemic related disruptions, customers were intimated of the same through the electronic communication, website and SMS. All efforts were made to ensure that customers could be serviced during the lockdown period.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Can Fin has always exhibited transparency by providing all the relevant details to its customers. The FPC and MITC documents are displayed on the notice boards of branches and prominently on the website of the Company with all details pertaining to service charges, interest rates, product information and grievance redressal mechanisms for its home loan borrowers and depositors. All potential customers are required to read and sign-off the same at the time of loan sanction.

Customer data privacy and security is accorded top priority and the same is ensured through robust information security systems.

Customer satisfaction surveys to seek feedback from its borrowers are undertaken periodically for the purpose of improving systems, processes, to plug lacuna if any and for enabling the training of employees .

5. Provide the following information relating to data breaches

a. Number of instances of data breaches along with impact

b. Percentage of data breaches involving personally identifiable information of customers

The Company did not witness any such instances of data breaches during the year.

For and on behalf of the Board of Directors

Sd/-
**Girish Kousgi**
Managing Director & CEO

Place : Bengaluru
Date : August 04, 2022

# Report of Directors on Corporate Governance

**A Report on Corporate Governance for the year ended March 31, 2022 is given below, pursuant to Schedule V(C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

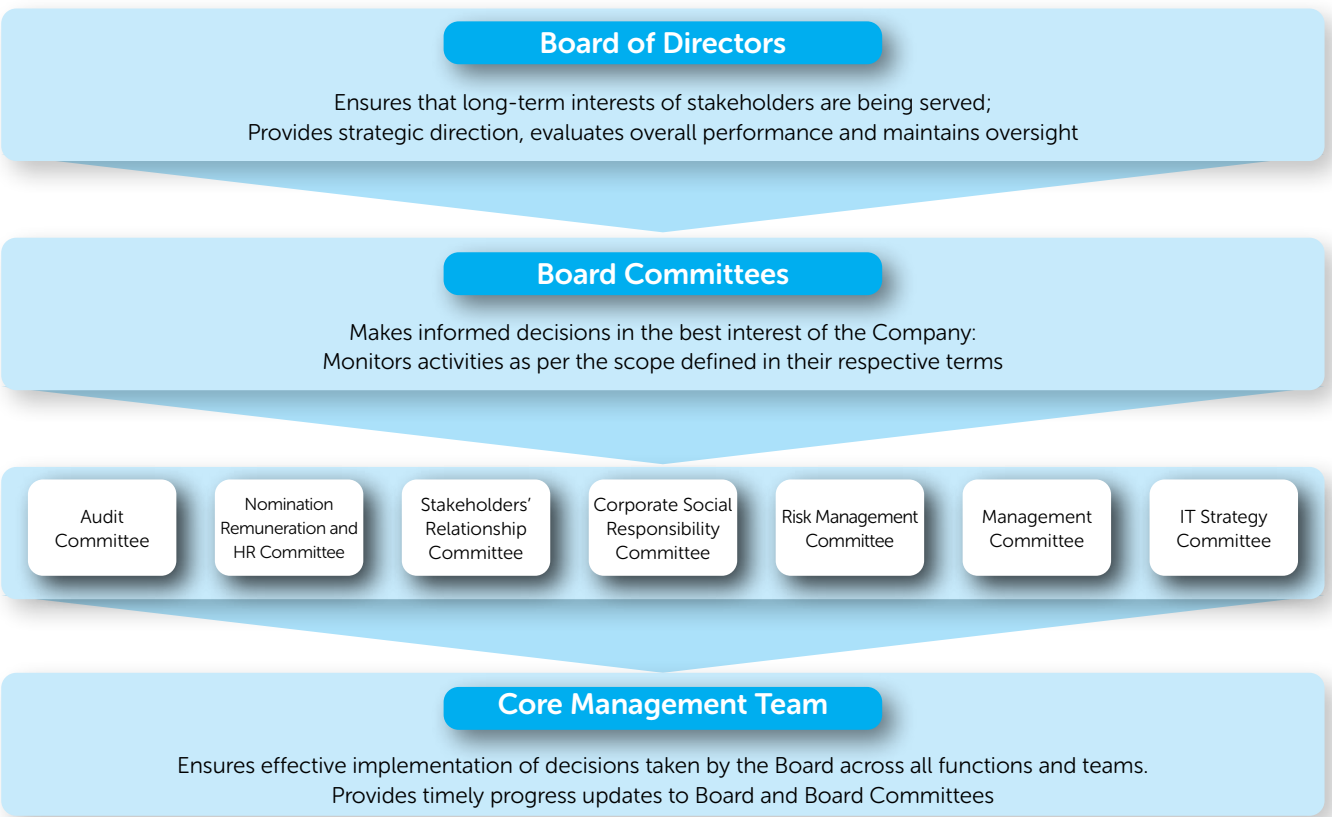
Effective corporate governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Your Company's corporate governance philosophy is based on the principles of 'Accountability', 'Transparency', 'Fairness', 'Values' and 'Ethics' which forms an integral part of the Management's initiative in its dealing with Stakeholders. Accordingly, in the endeavor to take balanced care of Stakeholders, your Company adheres to good corporate governance practices in its business processes. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has in place a Code of Conduct for its Employees, Senior Managerial Personnel and its Directors to strengthen corporate governance.

Corporate Governance is a set of systems and voluntary practices ensuring commitment to values, compliance of statutory regulations, political and economic environments, ethical conduct of business, accountability, transparency, disclosures and acceptance by management of the inalienable rights of shareholders as the true owners of the Company. It involves relationships between the Management, the Board of Directors and all its Stakeholders.

Good Corporate Governance is a well-defined and enforced structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards, best practices and formal laws. The main objective of Corporate Governance is not only to protect the interest of the Shareholders but also to enhance Shareholders value. It is rightly said that Corporate Governance is a philosophy which touches every aspect of the functioning of a corporate and its Stakeholders. It is not an end itself but a means to practice and bring about corporate democracy at all levels of the corporate entity.

The Company has adopted improved and efficient governance structures to ensure quality decision making, facilitate effective succession planning for Senior Management and enhance the long-term prosperity. Our Corporate Governance framework thus encompasses:

## CORPORATE GOVERNANCE STRUCTURE



Good corporate governance helps companies build trust with investors and the community. As a result, corporate governance helps promote financial viability by creating a long- term investment opportunity for market participants. Company's corporate governance is important to investors equally as it shows from time to time the Company's direction and business uprightness.

As a good corporate citizen, your Company is dedicated towards following the best practices built through conscience, fairness, transparency and accountability in building confidence of its various Stakeholders in it, thereby paving the way for its enduring success.

The Corporate Governance arrangements are those through which an organization directs and controls itself and the people associated with it by establishing standards and codes of conduct. Good Corporate Governance is a way of life that necessitates taking into account the stakeholders' interests in every business decision. This report gives a comprehensive look at how our governance adheres to our corporate governance framework.

## 1. Company's Philosophy on Code of Governance

The Company, the Board, the Promoters and the Employees have embraced statutory and regulatory changes towards strengthening corporate governance. The Company's corporate governance philosophy encompasses enhancement of value for all Stakeholders. The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosure requirements mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (LODR) (Amendment) Regulations passed from time to time (hereinafter collectively referred to as "the Listing Regulations") as applicable and looks at corporate governance as a part of its business.

The Company has a strong commitment to the principles that underline the effective corporate Governance. The Company's Board oversees how the management serves and protects the long-term interests of the stakeholders. Over more than three decades, the Company has put in place the best practices for the timely, adequate, explicit and accurate disclosure of information on Company's financials, performance, governance and other related matters.

Your Company has been responsive to its Stakeholders and striving to provide equal, timely and cost-efficient access to relevant information to all with whom it has business relations.

The Board has a set policy on Corporate Governance to help fulfil Company's corporate responsibility towards its stakeholders. The Board, at its discretion, may change the policy or guidelines periodically to achieve Company's stated objectives. Further, these guidelines allow the Board to make decisions that are independent of the management. The policy is available on the website of the Company at the link https://www.canfinhomes.com/pdf/ Corporate-Governance-Policy-2021.pdf

Your Company has built confidence amongst the Stakeholders all these years by adherence to the standards and principles of corporate governance, compliance with statutory and regulatory directions/guidelines, and by its determination to achieve higher levels of excellence in the areas of meeting stakeholder expectations, customer satisfaction, employee welfare and its obligations towards the society.

Your Company strives to achieve the objectives of the principles to protect and facilitate the exercise of the rights of its shareholders like right to be informed of the changes, effective participation & voting in general meetings, adequate mechanism to address the grievances of the shareholders, stakeholders, etc., and provide timely and adequate information to shareholders, equitable treatment, etc. Your Company respects the rights of its stakeholders.

The directors are pleased to present this report on the Corporate Governance practices followed in your Company.

## 2. Board of Directors

The Board holds a fiduciary position and is entrusted with the responsibility to act in the best interests of the Company and ensure value creation for all. As at the end of the financial year 2021-22, the Board consisted of 8 members with an optimum combination of executive directors, non-executive directors and independent directors, including a woman director. Out of them, 2 are Executive Directors and 6 are Non-Executive Directors, including 4 Independent Directors. The Chairman of the Board is a Non-Executive Promoter Director. Shri Amitabh Chatterjee (Whole-time Director) and Shri Ajai Kumar (Independent Director) have been appointed during the year by the members at the 34th Annual General Meeting held on September 08, 2021.

The Directors of your Company are persons of integrity and bring to the Board a wide range of knowledge, experience, diversity of thought and skills. The Directors are professionals in their niche areas and persons of eminence with vast experience in the fields of banking, housing finance, audit, management, human resources, risk management, law and other relevant areas.

The Board Diversity Policy forms part of the Nomination Remuneration and HR Policy of the Company, which is available on the website of the Company at the link https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-2021.pdf

**(i) Role of the Board of Directors**

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing Stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well-informed Board with qualifications and experience in diverse areas. The Board applies high ethical standards and acts with due diligence and care in the best interest of the Company and its stakeholders. The primary role of the Board is that of trusteeship to protect and enhance shareholders' value through strategic direction to the Company.

The Board fulfils its other key functions like reviewing the corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, exercising appropriate control to ensure that the Company is managed efficiently, monitoring the effectiveness of the Company's governance practices, exercising independent judgment on corporate affair, etc. The Board also monitors and reviews the effectiveness of the Company's governance practices, succession plan, ensuring integrity of the Company's accounting and financial reporting systems, independent audits, systems of risk management, financial and operational control, compliance with the law and relevant standards and such other responsibilities as expected by the regulatory authorities.

During FY 2022, the minimum information to be placed before the board of directors as specified in Part A of Schedule II of the SEBI Listing Regulations, were placed before the Board for its consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

**(ii) Composition of the Board and Category of Directors**

| Sl. No. | Name of the Director | Age | DIN | Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee etc. | No. of shares held by the Directors as at March 31, 2022 |
|---|---|---|---|---|---|
| 1 | Shri Lingam Venkata Probhakar, Chairman | 59 | 08110715 | Non-Executive & Promoter | Nil |
| 2 | Shri Girish Kousgi, MD & CEO | 51 | 08524205 | Executive | Nil |
| 3 | Shri Debashish Mukherjee | 57 | 08193978 | Non-Executive & Promoter | Nil |
| 4 | Shri Naganathan Ganesan, FCA | 60 | 00423686 | Non-Executive Independent | Nil |
| 5 | Shri Satish Kumar Kalra | 65 | 01952165 | Non-Executive Independent | Nil |
| 6 | Smt Shubhalakshmi Aamod Panse | 67 | 02599310 | Non-Executive Independent | Nil |
| 7 | Shri Amitabh Chatterjee | 51 | 09219651 | Executive & Promoter | Nil |
| 8 | Shri Ajai Kumar | 69 | 02446976 | Non-Executive Independent | Nil |
| 9 | Shri Arvind Narayan Yennemadi, FCA# | 69 | 07402047 | Additional (Independent) | Nil |
| 10 | Shri Anup Sankar Bhattacharya# | 70 | 02719232 | Additional (Independent) | Nil |

-Shri Shreekant M Bhandiwad (DIN: 08120906), Dy. Managing Director, vacated the Office on completion of his tenure on April 27, 2021.

-Shri Amitabh Chatterjee has been appointed as a Dy. Managing Director w.e.f. July 15, 2021.

-Shri Ajai Kumar has been appointed as an Independent Director w.e.f. September 08, 2021.

-Dr. Vijayanand Yeluri (DIN: 00594503), vacated office on completion of his tenure on September 08, 2021.

#Appointed w.e.f. August 04, 2022

The Chairman of the Board, Shri L V Prabhakar is a Non-Executive Promoter Director since July 30, 2020. Shri Girish Kousgi is the Managing Director and CEO of the Company since September 05, 2019. Shri Amitabh Chatterjee is the Dy. Managing Director (Executive & Promoter Director) of the Company since July 15, 2021. The proposal for appointment of Shri Aravind Narayan Yennemadi, FCA as an Independent Director and Shri Anup Sankar Bhattacharya as an Independent Director are placed before the ensuing Annual General Meeting for the approval of the shareholders. Shri L V Prabhakar and Shri Debashish Mukherjee are Non-Executive Promoter Directors. Shri Naganathan Ganesan, Shri Satish Kumar Kalra, Smt Shubhalakshmi Aamod Panse and Shri Ajai Kumar are Independent and Non-Executive Directors on the Board.

The appointments, re-appointments, resignations etc., of the directors are covered separately in the Report of Directors.

The composition of the Board is in conformity with Regulation 17(1) and 17(1A) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and also as required under Chapter XI of the Companies Act, 2013 and related rules, as amended from time to time.

The Non-Executive Directors are eligible for sitting fee for attending the meetings of the Board and Committees, within the limits prescribed under the Companies Act, 2013.

**(iii) Disclosure of relationships between Directors inter-se;**

None of the Board of Directors are related inter-se except for the Promoter Directors viz., Shri L V Prabhakar, MD & CEO of Canara Bank, Shri Debashish Mukherjee, Executive Director of Canara Bank and Shri Amitabh Chatterjee, Dy. General Manager in Canara Bank.

**(iv) Skills / Expertise / Competencies of the Board of Directors**

The Board of the Company is highly structured to ensure a high degree of diversity by education/qualifications, professional background, sector expertise and special skills. The Board comprises qualified members who bring along a plethora of required skills, competence and expertise to effectively contribute in deliberations at Board and Committee meetings. The Board members are committed to ensure that the Company is complying with the highest standards of corporate governance.

The Nomination Remuneration & HR Committee takes into consideration the following key competencies, skills and attributes while nominating Directors to serve on the Board. As required in the context of its business and sector, for the Company to function effectively, the key areas of expertise that are looked into include knowledge of housing finance business/industry experience, financial skills/expertise/ knowledge of audit in banking, credit management & business operations, customer/stakeholders engagement and ethics, corporate governance, legal & compliances, risk management & internal controls, leadership & strategic planning, HR management, knowledge of IT and IT security, diversity, etc.

The below matrix summarizes a mix of skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Chart / matrix setting out the skills, expertise, competence of each of the Directors is provided below: (Expert or proficient)

| Skills/ Expertise/ Competency | Name of the Director | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Shri L V Prabhakar | Shri Girish Kousgi | Shri Debashish Mukherjee | Shri Naganathan Ganesan | Shri Satish Kumar Kalra | Smt Shubhalakshmi Aamod Panse | Shri Amitabh Chatterjee | Shri Ajai Kumar | Shri Arvind Narayan Yennemadi | Shri Anup Sankar Bhattacharya |
| Industry experience | E | E | E | P | E | E | E | E | P | E |
| Leadership and strategic planning | E | E | E | P | E | E | E | E | P | E |
| Financial expertise | P | P | E | E | E | E | E | E | E | E |
| Business operations | E | E | E | P | E | P | E | E | P | P |
| Customer/ Stakeholders engagement and ethics | E | E | E | P | E | E | P | E | P | E |
| Information Technology & Cyber Security | P | P | P | P | P | E | E | P | P | E |
| Corporate Governance, Legal and Compliances | E | E | P | P | P | P | P | P | P | P |
| ALM, Risk Management and Internal Control | E | E | E | E | P | E | E | E | E | E |

**(v) Number of Directorships and Memberships in Committees etc. as on March 31, 2022**

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non–Executive Directors is an Independent Director in more than 7 listed entities as required under Reg.17A of the Listing Regulations. Further, the Managing Director and the Executive Director do not serve as Independent Directors in any listed company. None of the Directors held Directorships in more than 20 Indian companies or with more than 10 public limited companies as per Sec.165 of the Companies Act, 2013. None of the Directors on the Board is a member of more than 10 Committees or Chairperson of 5 Committees (committees being Audit Committee and Stakeholder Relationship Committee) across all Public Companies in India, in which he/she is a Director (Reg.26 of the said regulations). Necessary disclosures regarding their Committee positions have been made by all the Directors.

The details of the Board of Directors in terms of their directorships held in listed companies, category of directorship and their Memberships/ chairmanships in Audit Committee (AC) and Stakeholders Relationship Committee (SRC) are as under:

| Name of the Director | Total Directorships in Listed Companies (including CFHL) | Name of the Listed Companies | Category of Directorship | *Membership of AC & SRC in public limited companies (including CFHL) | Chairperson of AC & SRC Committees in public companies |
|---|---|---|---|---|---|
| Shri L V Prabhakar<br>Chairman | 2 | Can Fin Homes Limited<br>Canara Bank | Non-Executive Promoter<br>Managing Director & CEO | Nil | Nil |
| Shri Girish Kousgi | 1 | Can Fin Homes Limited | Managing Director & CEO | 1 | Nil |
| Shri Debashish Mukherjee | 2 | Can Fin Homes Limited<br>Canara Bank | Non-Executive & Promoter<br>Executive Director | 3 | Nil |
| Shri Naganathan Ganesan | 1 | Can Fin Homes Limited | Non- Executive Independent | 2 | 1 |
| Shri Satish Kumar Kalra | 4 | Can Fin Homes Limited<br>PNB Gilts Limited<br>Indbank Merchant Banking Services Limited<br>J K Cement Limited<br>Lakshmi Vilas Bank Limited# | Non- Executive Independent<br>Non- Executive Independent<br>Non- Executive Independent<br>Non- Executive Independent<br>Non- Executive Independent | 4 | 1 |
| Smt Shubhalakshmi Aamod Panse | 3 | Can Fin Homes Limited<br>Sudarshan Chemicals Industries Ltd.<br>Atul Ltd | Non- Executive Independent<br>Non- Executive Independent<br>Non- Executive Independent | 3 | 1 |
| Shri Amitabh Chatterjee | 1 | Can Fin Homes Limited | Dy. Managing Director<br>Promoter | Nil | Nil |
| Shri Ajai Kumar | 2 | Can Fin Homes Limited<br>HFCL Limited | Non- Executive Independent<br>Non- Executive Independent | 6 | 4 |
| Shri Arvind Narayan Yennemadi | 1 | Can Fin Homes Limited | Non-Executive Independent (Additional Director) | Nil | Nil |
| Shri Anup Sankar Bhattacharya | 1 | Can Fin Homes Limited | Non-Executive Independent (Additional Director) | 1 | Nil |

#Lakshmi Vilas Bank Limited is amalgamated with DBS Bank w.e.f. 27/11/2020 & board of Lakshmi Vilas Bank has been superseded.

**(vi) Number of meetings of Board of Directors**

The Board meets at least once in a quarter to review the quarterly performance and financial results of the Company. Apart from the scheduled Board Meetings, additional Board Meetings are also convened to ensure smooth operations of the Company. In the event of any special and urgent business need, the Board's approval is taken by passing resolutions by circulation, in accordance with all the applicable laws, which are noted in the succeeding Board Meeting. The meetings are normally held at the Board Room in the Registered Office of the Company. Participation in the Board/Committee meetings is facilitated through video conferencing, to encourage effective and active involvement in the Board deliberations by directors located in other locations and in view of the precautionary measures taken for COVID-19, all the meetings of the Board and Committees for the FY22 were held through video conferencing.

The Company Secretary, in consultation with the Chairman and Executive Directors prepares a detailed agenda for the meetings. All the relevant information as detailed in the Listing Regulations and such other matter requiring the attention of the Board are placed periodically before the Board. The agenda, Board notes, including explanatory notes are circulated to all the directors well in advance, in digital form. 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 the Board and Committees are recorded and bound in the Minutes Book. The decisions taken on the agenda are promptly communicated to the concerned departments. The Action Taken Reports (ATRs) on the decisions of the previous meetings are placed at the succeeding meetings of the Board for review/noting. A similar procedure is followed for each of the meetings of the Board committees.

The Company ensures minimum gap between the review of financial results by the Audit Committee and approval of the same by the Board, as required under the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors of your Company met 10 times during the FY 21–22: April 30, 2021, July 15, 2021, July 22, 2021, July 31, 2021, October 21, 2021, November 25, 2021, December 14, 2021, January 25, 2022, March 16, 2022 and March 29, 2022. The Board met on April 29, 2022 to approve the annual audited financial results of the Company for the year ended March 31, 2022.

Attendance of each Director etc

| Name of the Director | Board Meetings Attended/ held during their tenure in CFHL | Sitting Fee Paid (₹) | Attendance at the last Annual General Meeting held on September 08, 2021 |
|---|---|---|---|
| Shri L V Prabhakar, Chairman (Non-executive Promoter) | 10/10 | 3,50,000# | Attended |
| Shri Girish Kousgi, MD & CEO | 10/10 | NA | Attended |
| Shri Naganathan Ganesan, FCA | 10/10 | 3,00,000 | Attended |
| Shri Debashish Mukherjee | 08/10 | 2,40,000# | Not Attended |
| Shri Satish Kumar Kalra | 09/10 | 2,70,000 | Attended |
| Smt Shubhalakshmi Aamod Panse | 10/10 | 3,00,000 | Not attended |
| Shri Amitabh Chatterjee | 09/09 | NA | Attended |
| Shri Ajai Kumar | 05/06 | 1,50,000 | Attended |
| Dr. Vijayanand Yeluri | 04/04 | 1,20,000@ | Attended |

NA – Not Applicable

# Sitting fee paid to Canara Bank.

-Shri Shreekant M Bhandiwad , Dy. Managing Director, vacated the Office on completion of his tenure on April 27, 2021.

@ Dr. Vijayanand Yeluri, Director (Non-executive Independent) vacated office on completion of his tenure on September 08, 2021.

-Leave of absence was granted to the Directors as requested.

-Requisite quorum was present at the above Meetings.

**(vii) Board and Directors Evaluation and Criteria for Evaluation**

The annual evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provisions of the Companies Act and the SEBI Listing Regulations. The Nomination Remuneration and HR Committee has approved the Policy on Performance Evaluation, framed in accordance with the relevant provisions of the Companies Act, 2013, SEBI Listing Regulations and SEBI circular dated January 5, 2017 which provided further clarity on the process of board evaluation ('SEBI Guidance Note').

In accordance with the said policy, the evaluation of performance of the Board of Directors, Board Committees and individual Directors has been carried out during the year on the basis of a structured questionnaire comprising of evaluation criteria forming part of the policy, through peer evaluation, excluding the Director being evaluated. The Nomination Remuneration and HR Committee (NRC) has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for Board evaluation include inter-alia, structure of the Board, qualifications, experience and competence of Directors, diversity in Board and process of appointment; meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal of investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and Management.

The criteria for performance evaluation are as under:

Evaluation of Individual Director: Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, sufficient knowledge, skills and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.), independence, guidance and support to management. In addition, the Chairperson is also evaluated on key aspects of his/her role, including effectiveness of leadership, professionalism and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairperson.

Chairman's Performance Evaluation: Criteria for evaluation include effective leadership, setting effective strategic agenda of the Board, promoting effective participation by the Board members, establishing effective communication with all stakeholders, etc.

Evaluation of Committees: Criteria for evaluation of the Committees of the Board include mandate of the Committee, structure and composition; effectiveness of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and KMP's.

Evaluation of the Board as a whole: Providing entrepreneurial leadership to the Company, having clear understanding of the Company's core business and strategic direction, maintaining contact with management, ensuring integrity of financial controls and systems of risk management, making high quality decisions, maintaining high standards of integrity and probity, etc.

**(viii) Independent Directors**

Independent Directors play a key role in the decision-making process of the Board. They are committed to act in what they believe are in the best interests of the Company and oversee the performance of the management periodically. The Company and its Board benefits immensely from the in-depth knowledge, experience and expertise of its Independent Directors in achieving its desired level of business performance and good corporate governance.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation

which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act with an objective of independent judgement and without any external influence read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014. The terms & conditions of their appointment are disclosed on the Company's website.

The Independent Directors have given declarations to the Company for the year ended March 31, 2022 confirming adherence to the code of conduct, criteria of independence, directorships, etc. The Company has in place the evaluation criteria for performance evaluation of Independent Directors wherein their preparation, deliberations, effective participation, skills and knowledge to discharge their duties as Independent Directors, performance, criteria of independence, etc. are rated by all the Directors (excluding the Director being evaluated).

Based on the disclosures received from all Independent Directors, the Board of Directors confirm that the Independent Directors have fulfilled the conditions specified in the Companies Act, 2013, the SEBI Listing Regulations, Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and they are independent of the Management.

None of the Independent Directors of the Company have resigned before the expiry of his/her tenure during the Financial Year 2021–22.

As per Regulations 25(10) of SEBI Listing Regulations, the Company has obtained Directors and Officers Insurance (D&O insurance) for all Directors including Independent Directors for such quantum and for such risks as was determined by the Board of Directors.

### Meeting of Independent Directors:

Separate meeting of Independent Directors of the Company, without the presence of the Executive Directors and the management representatives, was held on March 25, 2022, as required under Schedule IV of the Act (Code for Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. Shri Naganathan Ganesan was the Lead Independent Director in the Meeting.

The Independent Directors at their meeting have reviewed, inter-alia, the performance of the Board as a whole, the Committees, the Managing Director, Deputy Managing Director, Non-Independent Directors and the Chairman. They also assessed the quality, quantity and timeliness of the flow of information from the Management to the Board.

**(ix) Appointment/ re-appointment/ resignation of Directors**

Complete particulars of appointments, re-appointments and resignations of the Directors during the relevant period of this Report are provided in Para 18 of the Report of Directors forming part of this Annual Report.

All the Directors have submitted their consents and declarations as required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. The Nomination Remuneration & HR Committee has determined the candidate(s) as fit and proper based on the areas of expertise and experience relevant for the business of the Company and such other criteria as per the Nomination Remuneration & HR Policy of the Company and recommended to the Board for approval and the Board of Directors has appointed such Directors under such terms and conditions, subject to the approvals of the members at the ensuing Annual General Meeting.

Brief profile of all the Directors are provided in page 37 to 40 of this Annual Report. The agenda relating to appointments/re-appointments of Directors are provided in the Notice of the 35th Annual General Meeting of the Company seeking approval from the members.

The particulars relating to the Directors and all other relevant information are provided in the explanatory statement(s) forming part of the said Notice for the information of members.

**(x) Responsibilities of the Board**

The Board discharges its duties and responsibilities as required under various statutes applicable to the Company viz., the Companies Act, 2013, Guidelines/ Regulations /Directions issued by the Securities Exchange Board of India (SEBI), National Housing

Bank (NHB), Insurance Regulatory & Development Authority of India (IRDAI), Reserve Bank of India (RBI) and such other Statutory and Regulatory Authorities, including reporting and disclosures to be made to the shareholders.

The Board reviews the legal compliance reports on a monthly basis to ensure statutory/ regulatory compliances and also the steps taken for rectifying the instances of delayed compliances or non-compliances, if any.

The Board mainly oversees the Company's strategic direction, annual operating plans and budgets, capital budgets, financial results, minutes of the meetings of the committees, materially important notices, if any, compliance of regulatory and statutory requirements, performance review, assessment of the adequacy of risk- management and possible steps for mitigation of risks, assets and liabilities management, liquidity monitoring strategic investments and safeguarding the interests of all stakeholders.

The Board performs all its key functions and discharges its duties and responsibilities, as required under the SEBI regulations, Companies Act 2013, IRDAI, NHB, RBI Directions and such other laws as applicable. The Board has laid down the code of conduct for all its members, including Independent Directors and Senior Management Personnel of the Company. It also evaluates the Independent Directors including the performance and fulfilment of criteria of independence.

The Board has empowered the senior management to implement its broad policies and guidelines including the succession plan for senior management and has set up adequate review mechanisms and processes.

The Board has approved various policies for the Company. The Board Committees like the Audit Committee, Nomination Remuneration & HR Committee, Risk Management Committee, IT Strategy Committee, etc. review all the policies every year and modifications, if any, will be approved by the Board. The Nomination Remuneration and HR Policy, Related Party Transactions Policy, Code of Fair Disclosure, Familiarisation Policy, Corporate Governance Policy, Whistle blower Policy, Code of conduct for Directors/ Independent Directors, Policy on Disclosure of material events, Policy on prohibition of Insider Trading, Archival Policy, Dividend Distribution Policy, Policy for appointment of Statutory Central Auditors, etc., and new policies as approved by the Board and all other information and documents which are required to be displayed on the Company's official website as per Reg. 46 and 62 of the SEBI (listing Obligations And Disclosure Requirements) Regulations, 2015 are complied with and are made available on the website of the Company in `Investor' page.

**(xi) Familiarisation Programme**

The Company has in place a system of conducting the familiarization programmes for Independent Directors as per which the Independent Directors are familiarised with their roles, rights, responsibilities, nature and business model of the Company, etc. once they are inducted. The said policy and the details of the familiarization programmes imparted/attended during FY 21–22. are placed on the website of the Company at https://www.canfinhomes.com/policies-codes.aspx

All Directors, including Independent Directors, on induction will be apprised of the industry and business model of the Company and the roles, rights, responsibilities in terms of the Companies Act and related rules, SEBI LODR Regulations, etc. Presentations on risk profile and risk management of the Company, internal and external audit plans, business and financial performance, updates on compliances, industry developments, regulatory/ statutory changes which affect/concern the Company, policies, internal controls, investor relations, etc. were made at the various Committee/ Board Meetings of the Company.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations, performance updates, industry scenario, business strategy, internal control, risks involved, mitigation plan, etc.

**(xii) Code of Conduct**

For the year under review, all the Directors and Senior Management Personnel have affirmed compliance with the provisions of their Code of Conduct. A declaration from the Managing Director & CEO of the Company is placed as Annexure-1 to this Report.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013, the Board has adopted the said Code and all the Independent Directors have affirmed that they shall abide by the said Code. The Code of Conduct of Board of Directors, Independent Directors and Senior Management Personnel are made available in the Company's official website.

In terms of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, all the Directors have executed the Declarations-cum- undertakings as well as the Deed of Covenants with the Company.

## 3. Committees of the Board

(i) There are seven Board Committees as on March 31, 2022, details of which are as follows:

**Audit Committee**

**Extract of terms of reference**

Committee is constituted in line with the provisions of Regulation 18 read with Part C (A) of Schedule II to the SEBI Listing Regulations, Section 177 of the Companies Act and RBI Master Directions for HFCs.

The broad terms of reference are as under:

- Oversight of financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
- Reviewing with the management, the quaterly and annual financial statements and auditors' report thereon before submission to the Board for approval, reviews and monitors the auditor's independence, performance and effectiveness of audit process. Discussion with auditors before audit commences about scope of audit as well as post audit discussion.
- Evaluation of internal financial controls and risk management systems, reviewing the adequacy of Internal Audit function; Discussion with the Internal Auditors of any significant findings and follow up thereon.
- Recommendation for appointment, remuneration and terms of appointment and approval of payment to auditors of the Company.
- Approve policies in relation to the implementation of the Insider Trading Code, related party transactions, whistle blower mechanism and to supervise implementation of the same.
- Reviewing the annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notices, if any, scrutiny of inter-corporate loans and investments; and review of valuation of undertakings or assets of the company wherever it is necessary;
- Approval of appointment of Chief Financial Officer after assessing qualifications, experience, background etc.
- Reviewing the findings of any internal investigations by internal auditors into matters in case of suspected fraud or irregularity or failure of internal control systems etc.
- Looking into the reasons for any substantial defaults in payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividend) and Creditors, if any;
- In addition, the powers and role of Audit Committee are as laid down under Regulation 18(3) and Part C of schedule II of the SEBI(LODR) Regulations and Section 177 of the Companies Act, 2013.

**Category and composition**

| Members | Number of meetings attended/ held during the year | Sitting Fee Paid (₹) |
|---|---|---|
| Shri Naganathan Ganesan, FCA, Chairman (Non-Executive Independent) | 10/10 | 2,00,000 |
| Shri Debashish Mukherjee, Member (Non-Executive Promoter)# | 9/10 | 1,35,000 |
| Smt. Shubhalakshmi Aamod Panse, Member (Non-Executive Independent) | 9/10 | 1,35,000 |
| Shri Ajai Kumar, Member (Non-Executive Independent) | 5/5 | 75,000 |
| Dr. Vijayanand Yeluri, Member (Non-Executive Independent)@ | 4/4 | 60,000 |

#Sitting fee paid to Canara Bank.

@Dr. Vijayanand Yeluri, Member (Non-executive Independent Director) vacated office on completion of his tenure on 08/09/2021.

-Leave of absence was granted to the members as requested.

-Requisite quorum was present at the above Meetings.

-During the year, the Audit Committee was reconstituted.

**Other details**

- Ten meetings of the Audit Committee were held during the year under review i.e., on April 30, 2021, July 22, 2021, July 30, 2021, August 11, 2021, October 21, 2021, December 27, 2021, December 31, 2021, January 25, 2022, February 14, 2022 and March 16, 2022 and the gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- The Committee also met the rating agencies during the year.
- The Company Secretary acts as the Secretary to the Audit Committee.
- Shri Naganathan Ganesan, FCA, as Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 08, 2021 to answer shareholders queries.

## Nomination Remuneration and HR Committee (NRC)

### Extract of terms of reference

Committee is constituted in line with the provisions of Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations and Section 178 of the Companies Act and RBI Master Directions for HFCs.

The broad terms of reference are as under:

- Recommend to the Board the setup and composition of the Board and its Committees. Devising policy on diversity of Board of Directors.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Formulation of criteria for determining qualifications, positive attributes & independence of Director.
- Recommend to the Board for appointment/ re-appointment of Directors, Key Managerial Personnel and senior management personnel. NRC reviews the information, declarations and undertakings given by the existing and proposed Director(s).
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Recommend to the Board the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel as well as the rest of employees. Reviewing remuneration to the employees of CFHL including the Senior Management Personnel in the form of incentives, performance-based incentives, viz., cash incentive, employee stock option scheme, ex-gratia, etc. either fixed or variable in nature, subject to statutory guidelines and Staff Service Regulations/ HR policies approved by the Board.
- Oversee familiarization programs for Directors.
- NRC also reviews the HR and remuneration matters.
- In addition, the roles and responsibilities of the Nomination Remuneration and HR Committee are as laid down under Regulation 19(4) and Para A- Part D of schedule II of the SEBI (LODR) Regulations.

### Category and composition

| Members | Number of meetings attended/ held during the tenure of the member | Sitting Fee Paid (₹) |
|---|---|---|
| Smt. Shubhalakshmi Aamod Panse, Chairperson (Independent Non-Executive) | 2/2 | 40,000 |
| Shri Debashish Mukherjee, Member (Promoter Non-Executive) | 4/5 | 60,000 |
| Shri Satish Kumar Kalra, Member (Independent Non-Executive) | 5/5 | 75,000 |
| Shri Ajai Kumar, Member (Independent Non-Executive) | 2/2 | 30,000 |
| Shri Naganathan Ganesan, Member (Independent Non-Executive) | 3/3 | 45,000 |
| Dr. Vijayanand Yeluri, Chairman (Independent Non-Executive)[@] | 3/3 | 60,000 |

[#]Sitting fee paid to Canara Bank.

[@]Dr. Vijayanand Yeluri, Member (Non-executive Independent Director) vacated office on completion of his tenure on 08/09/2021.

- Shri Naganathan Ganesan, Member (Independent Non-Executive) was the member of the Committee till October 21, 2021.

-Leave of absence was granted as requested.

-Requisite quorum was present at the above Meetings.

-During the year, the NRC Committee was reconstituted.

### Other details

- Five Nomination Remuneration and HR Committee meetings were held during the year under review i.e., on July 15, 2021, July 29, 2021, July 31, 2021, November 25, 2021 and March 25, 2022.
- The Company does not have any Employee Stock Option Scheme.
- Details of Remuneration Policy and Performance Evaluation Criteria are provided in page No. of this Report.
- The Company Secretary is the Secretary to the Nomination Remuneration and HR Committee.
- Dr Vijayanand Yeluri, as the Chairman of NRC was present at the Annual General Meeting of the Company held on September 08, 2021 to answer shareholders queries.

## Stakeholders' Relationship Committee (SRC)

**Extract of terms of reference**

Committee is constituted in line with the provisions of Regulation 20 read with Part D(B) of Schedule II of SEBI Listing Regulations and Section 178 of the Companies Act.

The broad terms of reference are as under:

- Reviews/ approves processes, standard operating procedures.
- Considers and resolves grievances of security holders including complaints related to transfer/transmission of shares, non- receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Consider and approve the issue of share certificates/duplicate share certificates, transfer and transmission of securities, etc.
- Review activities with regard to adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders.
- Review of measures taken for effective exercise of voting rights by shareholders.
- In addition, the roles and responsibilities of the Stakeholders' Relationship Committee are as laid down under Regulation 20(4) and Para B- Part D of schedule II of the SEBI(LODR) Regulations.

**Category and composition**

| Members | Number of meetings attended/ held during the tenure of the member | Sitting Fee Paid (₹) |
|---|---|---|
| Shri Satish Kumar Kalra, Chairman (Independent Non-Executive) | 2/2 | 40,000 |
| Shri Girish Kousgi, Member (Managing Director & CEO) | 3/3 | NA |
| Shri Naganathan Ganesan, Member (Independent Non-Executive) | 3/3 | 45,000 |
| Smt. Shubhalakshmi Aamod Panse, Member (Independent Non-Executive) | 3/3 | 45,000 |
| Dr. Vijayanand Yeluri, Chairman (Independent Non-Executive)@ | 1/1 | 20,000 |

@Dr. Vijayanand Yeluri, Member (Non-executive Independent Director) vacated office on completion of his tenure on 08/09/2021.

-Requisite quorum was present at the above Meetings

-During the year, the SRC Committee was reconstituted.

**Other details**

- Three meetings of the Stakeholders' Relationship Committee were held during the year under review i.e., on July 15, 2021, November 25, 2021 and January 25, 2022.
- Details of Investor complaints and Compliance Officer are provided in page No. 141 of this Report.
- Smt Veena G Kamath, Company Secretary is the Compliance Officer in terms of SEBI LODR Regulations.
- The Company Secretary acts as the Secretary to the Committee.
- The previous AGM of the Company was held on September 08, 2021 and was attended by Dr Vijayanand Yeluri, Chairman of the Committee to answer queries of the security holders.

## Corporate Social Responsibility Committee (CSR)

**Extract of terms of reference**

Committee is constituted in line with the provisions of Section 135 of the Companies Act and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The broad terms of reference are as under:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.
- Review the CSR Policy
- Review the status of CSR activities.

**Category and composition**

| Members | Number of meetings attended/ held during the tenure of the member | Sitting Fee Paid (₹) |
|---|---|---|
| Shri L V Prabhakar, Chairman# (Non-Executive Promoter Director) | 3/3 | 60,000 |
| Shri Girish Kousgi, Member (Managing Director & CEO) | 3/3 | NA |
| Shri Naganathan Ganesan, Member (Non-Executive Independent Director) | 3/3 | 45,000 |
| Shri Amitabh Chatterjee, Member (Dy. Managing Director) | 3/3 | NA |
| Shri Satish Kumar Kalra, Member, (Non-Executive Independent Director) | 2/2 | 30,000 |

NA – Not Applicable

# Sitting fee paid to Canara Bank.

-Requisite quorum was present at the above Meeting.

-During the year, the CSR Committee was reconstituted.

**Other details**

- Three meetings of CSR Committee were held on July 31, 2021, February 28, 2022 and March 29, 2022.
- Details of CSR activities are provided in page No. 141 of this Report.
- The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.
- The previous AGM of the Company was held on September 08, 2021 and was attended by Shri L V Prabhakar, Chairman of the Committee.

## Risk Management Committee (RMC)

**Extract of terms of reference**

Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations and in terms of NHB/RBI Directions.

The broad terms of reference are as under:

- Formulate, monitor and review risk management policy and plan, inter alia, cover monitoring and managing enterprise-wide risk i.e., overall risk in the Company.
- Reviewing and monitoring the overall risk management framework for management of credit risk, market risk, operational risk, asset liability management, compliance risk, etc.
- Review of risk profile of the Company at periodical intervals.
- Reviewing the key risks associated with the business of the Company, causes and efficacy of the measures taken to mitigate the same and to apprise the Board of Directors.
- Reviewing the ALCO proceedings.
- Reviewing the Policies of the Company annually.
- Reviewing Stress testing scenarios.
- In addition, the roles and responsibilities of the Risk Management Committee are as laid down under Regulation 21(4) and Para C- Part D of schedule II of the SEBI(LODR) Regulations and Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

**Category and composition**

| Members | Number of meetings attended/ held during the tenure of the member | Sitting Fee Paid (₹) |
|---|---|---|
| Shri Debashish Mukherjee, Chairman (Non-Executive Promoter Director) | 3/3 | 60,000# |
| Shri Girish Kousgi, Member (Managing Director & CEO) | 3/3 | NA |
| Smt. Shubhalakshmi Aamod Panse, Member (Non-Executive Independent Director) | 3/3 | 45,000 |
| Shri Amitabh Chatterjee, Member (Dy. Managing Director) | 3/3 | NA |
| Smt. Shamila M, Member (General Manager) | 3/3 | NA |
| Shri H R Narendra, Member (Chief Risk Officer) | 3/3 | NA |

NA – Not Applicable

#Sitting fee paid to Canara Bank.

-Requisite quorum was present at the above Meetings.

-During the year, the RMC Committee was reconstituted

**Other details**

- Three meetings of the RMC were held during the year under review i.e., on July 22, 2021, November 25, 2021 and March 25, 2022.
- Approvals were also obtained by way of Circular resolutions during the year.
- Details of role performed by Chief Risk Officer (CRO) are provided in page No. 142 of this Report.
- The Company Secretary acts as the Secretary to the Risk Management Committee.
- The previous AGM of the Company was held on September 08, 2021 and was attended by Shri Debashish Mukherjee, Chairman of the Committee.

### IT Strategy Committee

| Extract of terms of reference | Category and composition | | | Other details |
|---|---|---|---|---|
| | Members | Number of meetings attended/ held during the tenure of the member | Sitting Fee Paid (₹) | |
| IT Strategy Committee is constituted as per NHB guidelines NHB(ND)/DRS/ Policy Circular No.90/2017–18.<br>The broad terms of reference are as under:<br>• Conducts gap analysis between the current IT framework and stipulations as laid out in the specified circular and<br>• To review and amend/ frame IT strategies as and when required.<br>• In addition, the role and responsibilities as per NHB/RBI guidelines/ circulars issued in this regard are required from time to time. | Shri Ajai Kumar, Chairman (Non-Executive Independent Director) | 2/2 | 40,000 | • Four meetings of the IT Strategy Committee were held during the year under review i.e. on August 04, 2021, September 13, 2021, October 29, 2021 and March 29, 2022.<br>• Approvals were obtained by way of Circular resolution during the first half of the year.<br>• The Company Secretary acts as the Secretary to the IT Strategy Committee |
| | Shri Girish Kousgi Member (Managing Director & CEO) | 4/4 | NA | |
| | Shri Amitabh Chatterjee Member (Dy. Managing Director) | 4/4 | NA | |
| | Shri Naganathan Ganesan, Member (Non-Executive Independent Director) | 4/4 | 70,000 | |
| | Smt. Shamila M, Member (General Manager) | 4/4 | NA | |
| | Shri B M Sudhakar, Member (Dy. General Manager) | 4/4 | NA | |
| | Shri Sikhin Tanu Shaw, Member (Deputy General Manager) | 4/4 | NA | |
| | NA – Not Applicable<br>Requisite quorum was present at the above Meetings. | | | |

#Shri Naganathan Ganesan was the chairman of the committee till October 21, 2021.

### Management Committee (MC)

| Extract of terms of reference | Category and composition | Other details |
|---|---|---|
| The broad terms of reference are as under:<br>• Considers the proposals for sanction of loans to individuals/ builders, rates of interest on such loans, terms and conditions for sanction and certain other financial sanctions, related assignments in terms of the powers delegated to the Committee by the Board from time to time. | Shri Girish Kousgi, Chairman (Managing Director & CEO)<br>Shri Debashish Mukherjee, Member (Non- Executive Promoter Director)<br>Smt. Shubhalakshmi Aamod Panse, Member (Non-Executive Independent Director)<br>Shri Amitabh Chatterjee, Member (Dy. Managing Director) | • During the year there were no loan proposals falling under the delegated powers of the Management Committee and hence there was no need for the Committee to meet.<br>• The Company Secretary acts as the Secretary to the Management Committee. |

(ii) Nomination Remuneration and HR Policy

(a) Nomination Remuneration and HR policy, has been framed in compliance with the provisions of Section 178(2), 134(3)(p) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI(LODR) Regulations, 2015 as amended from time to time. Among other things, the Nomination Policy includes:

i) Laying down the criteria which shall form the basis for enabling the Nomination Remuneration and HR Committee to identify persons who are qualified to become Directors of the Company, including Board Diversity. As per the Policy, the formulation of such criteria shall be aimed at determining qualifications, expertise, track record, integrity, positive attributes, independence of a Director and other `fit and proper' criteria at the time of appointment and on a continuing basis.

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

iii) Evaluation of every Director's performance by NRC.

(b) The Remuneration policy, among other things, covers:

I. Remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

II. The Remuneration to the employees of CFHL including the Senior Management Personnel in the form of incentives, performance- based incentives, viz., cash incentive, employee stock option scheme, ex-gratia, etc. either fixed or variable in nature, subject to statutory guidelines and Staff Service Regulations/ HR policies approved by the Board.

(c) Performance evaluation criteria for Independent Directors:

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation process; the Directors who are subject to evaluation had not participated.

(d) Remuneration of Directors

For the financial year ended March 31, 2022, except for the Managing Director and Dy. Managing Director, there were no other Executive Directors on the Board of the Company. The remuneration paid to the Managing Director & CEO was as approved by the members at the Annual General Meeting of the Company held in 2020 and the remuneration paid to the Dy. Managing Director was as approved by the members at the Annual General Meeting of the Company held in 2021 and the same was as per the Staff Service Regulations of Canara Bank as amended from time to time, within the limits prescribed under Schedule V of the Companies Act, 2013.

The Non-Executive Directors are eligible to receive sitting fee for attending the meetings and reimbursement of any out of pocket expenses towards boarding, lodging and transport/ conveyance etc. incurred, if any, for attending the meeting(s).

I. Pecuniary relationship or transactions of the Non-Executive Directors

None of the Non-Executive Directors has any other material pecuniary relationship or transactions with the Company, its Promoters or its Directors or its Senior Management.

II. Criteria of remuneration to Non-Executive Directors

The Non-Executive Directors of the Company were paid only the sitting fee of ₹ 15,000/- for a meeting of Committee and ₹ 30,000/- for Board meeting and Chairing fee of ₹ 5,000/- to the Chairperson of the Board and Committees. No other remuneration is being paid to them. They are eligible for re-imbursement of boarding, lodging and travelling expenses for attending the meetings of Board and Committees. The Non-Executive Independent Directors of the Company have declared that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and that they will abide by the provisions specified in Schedule IV of the said Act.

III. Disclosures with respect to remuneration of Executive Directors

(i) All elements of remuneration package of individual directors are summarized under

major groups, such as salary, benefits, bonus, stock options, pension, etc.

Managing Director & CEO – Shri Girish Kousgi: The remuneration package for FY22 includes; Salary ₹ 99,99,996/-; Incentive ₹ 10,31,991/-; Company's Contribution to PF ₹ 8,64,612/- and reimbursements of ₹ 9,84,000/-

Dy. Managing Director – Shri Amitabh Chatterjee: The remuneration package for FY22 includes; Salary – ₹ 20,53,813/-; Company's contribution to PF ₹ 1,29,343/- and reimbursements of ₹ 41,822/-. (w.e.f. July 15, 2021)

Dy. Managing Director – Shri Shreekant M Bhandiwad: The remuneration package for FY22 includes; Salary – ₹ 6,08,083/; Incentive ₹ 2,33,997/-; Company's contribution to PF ₹ 33,970/- and reimbursements of ₹ 65,833/-. (upto April 27, 2021)

(ii) Details of fixed component and performance linked incentives, along with the performance criteria: The performance linked incentive given to the Executive Directors for FY22 was ₹ 12,65,988-. Incentive to the extent of 80% of the eligible amount was paid due to Covid pandemic situation. The criteria includes qualitative and quantitative parameters.

Quantitative: Fresh approvals, disbursements, growth in loan book, NHL and Deposits, Gross NPAs, PAT, NIM, ROA & ROE.

Qualitative: Leadership & brand building, HR, IT initiatives, Customer Centricity, Adherence to KYC/AML guidelines, Prevention/ Detection of frauds, Quality of compliance of Inspection and Audit Reports.

(i) Service contracts, notice period, severance fee: Service contract has been executed with Shri Girish Kousgi, Managing Director & CEO, for a tenure of 5 years with a Notice period of 3 months. The terms and conditions of appointment including remuneration was placed in the Annual General Meeting held in the year 2020.

(ii) Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable: Not applicable

The Nomination Remuneration and HR Policy of the Company is available on the website of the Company https://www.canfinhomes.com/pdf/Nomination-Remuneration-and-HR-Policy-2021.pdf

(iii) Shareholder Complaints & grievances

There was one complaint pending at SEBI SCORES as at the beginning of the financial year for which Company had submitted action taken report to SEBI on March 18, 2021 and the complaint was closed by SEBI on May 18, 2021. During the year three complaints were received and no complaint was pending for closure as at the end of the financial year ended March 31, 2022.

Shareholders Grievances/ Representations Statistics

| | |
|---|---|
| Complaints/ Representations received related to non-receipt of Annual Reports/ dividend/ Split share certificate etc. | 200 |
| Complaints not solved to the satisfaction of shareholders | Nil |
| Pending Complaints* | 2 |

*Resolved in April, 2022

(iv) CSR Activities

The Company has given importance to Health Care, promoting education including special education for tribal students, Construction of class room blocks for Government schools, construction of girls Hostel, providing Stationeries and furniture to Government schools, setting up of Mini Science Labs (TINKER Labs), Vocational training, Skill enhancement programmes, renovation of Anganawadis, Scholarships for under privileged and girl child education. Company has also contributed for welfare measures by providing amenities for old age homes, orphanages and centres for residential homes have been constructed for accomodating homeless, displaced people and differently abled. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES) during COVID-19 pandemic to provide relief to those affected by any kind of emergency or distress situation like COVID-19 also forms part of its CSR activities. During COVID-19 Company has contributed towards setting up of Covid Care Centre and Vaccination for General Public.

Company also focused on animal welfare by providing Mobile van for treatment of injured animals. The Company focused on Renewable energy by providing solar roof top panels and Solar Lights to village. Focused on Conservation of Natural resources and Rejuvenation of Lakes.

Other information relating to the particulars on spending in terms of the Corporate Social Responsibility Policy and reasons for not spending/ carrying forward the balance amount, if any, during the current year are disclosed in a separate report Annexure – 2 to the Report of Directors, forming part of this Annual Report.

(v) Chief Risk Officer (CRO)

During FY 20, the Company had appointed Shri H R Narendra, Asst. General Manager as the Chief Risk Officer (CRO) who is inter-alia responsible for identifying, monitoring and overseeing risks, including potential risks to the Company and reporting to the Managing Director. Shri H R Narendra attained superannuation on May 31, 2022, Tuesday. The Board of Directors of the Company at its meeting held on May 19, 2022, has designated Mr. Uthaya Kumar A, as the interim Chief Risk Officer (CRO) of the Company, w.e.f. June 1, 2022. Necessary measures have been put in place by the Board to safeguard the independence of the CRO. The CRO meets the members of the Risk management Committee/ Board at least once in a quarter in accordance with the norms set out by NHB/RBI. Further, the CRO has vetted the credit products offered by the Company from the perspective of inherent and control risks.

The CRO did not have any reporting relationship with business verticals of the Company or business targets.

(vi) Other details

The Audit Committee, the Nomination Remuneration & HR Committee, the Stakeholders' Relationship Committee and IT Strategy Committee are chaired by Independent Directors.

The Independent Directors are not paid any fee/remuneration apart from the sitting fee for attending the meetings.

Depending upon the need, the Committees invite the Senior Management Personnel/Functional Heads, Statutory Auditors/ Branch Auditors of the Company, Tax Consultant, Internal Auditors and such other professionals with relevant expertise, to attend the meetings and provide clarifications on certain specific issues, if any.

The dates of meetings of the above Committees are decided in consultation with the Chairperson of the respective Committees and intimated to its members in advance. The agenda papers are prepared in advance and circulated among the members of the Committees by digital mode.

## 4. General body meetings/ postal ballots

The details of date, time and venue of the Annual General Meetings (AGMs) of the Company held during the preceding three years and the Special Resolutions passed there at, are as under:

| Year ended | Date and Time | Venue | Special Resolutions passed |
|---|---|---|---|
| March 31, 2021 | Wednesday, September 08, 2021 at 11:00 AM (through Video-Conference) | Registered Office: No. 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 | 1. To borrow amounts not exceeding ₹ 30,000 Cr<br>2. Offer or invitation for subscription of Non-Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹ 4000 Cr, on private placement<br>3. Further issue of shares by way of QIP not exceeding ₹ 1000 Cr |
| March 31, 2020 | Wednesday, August 26, 2020 at 11:00 AM (through Video-Conference) | Registered Office: No. 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 | 1. To borrow amounts not exceeding ₹ 27,500 Cr<br>2. Offer or invitation for subscription of Non- Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹ 4000 Cr, on private placement<br>3. Further issue of shares / specified securities not exceeding ₹ 1000 Cr |

| Year ended | Date and Time | Venue | Special Resolutions passed |
|---|---|---|---|
| March 31, 2019 | Wednesday, July 17, 2019 at 11:00 AM | NIMHANS Convention Centre, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Karnataka, 56002 | 1. Re-appointment of Shri Naganathan Ganesan, FCA, as an Independent Director<br>2. To borrow amounts not exceeding ₹ 23,000 Cr<br>3. Offer or invitation for subscription of Non-Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹ 6000 Cr, on private placement<br>4. Further issue of shares / specified securities not exceeding ₹ 1000 Cr<br>5. Alteration of Articles of Association – Deletion of clauses relating to `Common Seal' |

**Postal ballot**

1. Details of Special Resolutions passed through Postal Ballot in the last year: No special resolution was passed through Postal Ballot during the financial year 2021-22. None of the businesses proposed to be transacted in the ensuing Annual General Meeting required passing of a special resolution through Postal Ballot.

2. Person who conducted the postal ballot exercise: NA

3. Whether any Special Resolution is proposed to be conducted through postal ballot: No resolution is proposed to be conducted through Postal Ballot as on the date of AGM.

4. Procedure for Postal Ballot: Your Company follows the provisions of the Companies Act, 2013 and Listing Regulations 2015 for Postal Ballot, if any.

## 5. Means of Communication to the shareholders

The Company has about 95,547 shareholders all over India as on March 31, 2022 as against 68,590 as on March 31, 2021.

The means of communication to the shareholders includes;

**(a) Quarterly Results** - The Company, immediately after conclusion of the meetings of the Board of Directors, uploads the quarterly/half yearly/annual financial results on the website 'NEAPS' & 'NSE Digital' of National Stock Exchange of India Limited and 'Listing Centre' of BSE Limited and simultaneously uploads the same on the Company's website https://www.canfinhomes.com within the prescribed time.

The Company also publishes the abridged version of unaudited/audited financial results on a quarterly/ half yearly/ annual basis, in the prescribed format, in leading newspapers in English and in the regional language viz., Kannada, within the prescribed period.

**(b) Newspapers wherein results normally published**

The Company normally publishes the abridged version of audited/ unaudited financial results in leading newspapers in English viz., Financial Express and in the Regional Language i.e., Kannada in, Kannada Prabha.

**(c) Display on website** - The Company displays all the reports/ statements/ notices and such other documents as required/ applicable under the statutory and regulatory requirements on the official website of the Company https://www.canfinhomes.com The Company also uploads all such documents online on National Stock Exchange of India Limited website https://neaps.nseindia.com/NEWLISTINGCORP/, and on NSE Digital Exchange website https://digitalexchange.nseindia.com/nse-frontend-navigation/#/landing and BSE Limited website https://www.listing.bseindia.com for dissemination.

Investors' page on the website of the Company:

The 'Investor Page' (https://www.canfinhomes.com/investorpresentation.aspx) provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data, annual performance compared, key ratios, etc. The page also discloses the un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual reports, shareholding pattern, unclaimed/ unpaid dividend/ deposits, Fair Practice Code, KYC guidelines, nomination by members, ECS mandate, dematerialization of shares, SEBI circulars insisting for payments to members through electronic mode, etc., complete details about the Registrar and Transfer agents, details of the Compliance Officer, information, codes, policies etc., as required under Reg. 46 and 62 of the SEBI Listing Regulations and FAQ on tax deductible at source (TDS) on dividend with select download facilities, for

the information and utility of the shareholders of the Company. The intimations relating to Institutional Investors or Analysts meet are informed to the stock exchanges in terms of Regulation 30 of the SEBI regulations and similar information is made available on the Company's website within the prescribed time as and when applicable.

(d) **Official News releases** - Dissemination of information through television/press: The Managing Director provides brief information on quarterly/annual results and corporate actions on TV channels and in print media, within the permissible disclosure norms and similar information is made available on the Company's website.

(e) **Presentations made to Institutional Investors or to the Analysts** - The Managing Director, Deputy Managing Director, General Manager and Chief Financial Officer interact with the analysts/investors and participate in the Conference calls arranged by reputed Institutional Investors/analysts. The records of interaction are made available on the Company's official website within the permissible disclosure norms.

(f) **Annual Report:** The Annual Report encompasses operational and financial highlights for the current year in comparison with previous years, Report of Directors, Management Discussion and Analysis Report, Report of the Directors on Corporate Governance and Audited Financial Statements together with the Auditors Report. The annual report also contains a section on `General Information to Shareholders' which inter-alia provides information relating to Annual General Meetings, shareholding pattern, distribution of shareholding, voting rights and the monthly high and low market price of equity shares during the year, etc. and the information as required under statutory and regulatory guidelines.

(g) **Stock Exchanges:** The Company uploads/discloses all material information online about the Company including shareholding pattern, report on corporate governance, reconciliation of share capital audit, status of investor's complaints, certificates from RTA, disclosure on related party transactions, annual secretarial compliance report, Debentures Trustees and intimations/disclosure of material events, certification on utilization of the proceeds of Non- convertible debentures and Commercial papers for the purpose for which the same are raised, Large corporate disclosures, record dates for dividends, payment of NCD interest, redemptions, intimations u/r 57(4) and 57(5) of SEBI(LODR) Regulations, 2015 etc. periodically to the National Stock Exchange of India Ltd. and BSE Limited.

(h) **Investor grievance redressal mechanism:** The Company has provided a separate e-mail ID for shareholders services viz., investor.relationship@canfinhomes.com and the investor grievance redressal mechanism is in place. A Grievance Redressal Portal has been made available on the website of the Company.

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

(j) **SEBI Complaints Redressal System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company and online viewing by investors of actions taken on the complaint and its current status are updated/ resolved electronically in the SEBI SCORES system.

(k) **Other information:** The details relating to the Director(s) proposed to be appointed/re-appointed at the ensuing Annual General Meeting are provided as an annexure to the notice convening the said meeting.

In recognition of the initiative taken by the Ministry of Corporate Affairs (MCA), Government of India and as a contribution towards a greener environment, the Company has been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Report of Directors, Auditors Report, etc. to a significant number of shareholders to their registered e-mail address made available to the Company by the Depositories or by the members themselves to the Company or its Registrar & Transfer agents. The above documents would also be available on the website of the Company https://www.canfinhomes.com/investor.aspx

The Annual Report of the Company for the financial year 2021–22 will be e-mailed to the members as stated above and in compliance with the guidelines issued by MCA vide its various notifications and circulars since March 2020, relaxing various requirements during the present scenario of COVID-19 pandemic. 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.

## 6. Other disclosures

### (a) Materially significant related party transactions

Your Company has formulated a policy on related party transactions and on dealing with related party transactions in accordance with Companies Act, 2013 and SEBI Listing Regulations. The Policy was amended during the year. The policy defines clearly the transactions which require approval from Audit Committee, the Board of Directors and members at the Annual General Meeting, provision for prior approval, periodical review, omnibus approval, transactions in the ordinary course of business or otherwise, transactions within arm's length basis or otherwise, materiality of the transactions as defined under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as applicable, and threshold limits as defined and in conformity with the provisions of the Companies Act, 2013, the related rules and the requirements under said regulations, as amended from time to time. The Company has been entering into related party contracts and arrangements with the promoter and sponsor bank viz., Canara Bank since incorporation, in the ordinary course of business.

The Company has been maintaining current accounts for business transactions, availing Term Loans, Overdraft facilities, making payment of interest, placing short term/ long term deposits to meet the statutory liquidity limits (SLR purpose) and collecting/ recovering interest thereon maintaining dividend accounts, leasing out business or residential premises, if any, of the Company to the Bank on rent or occupy any business or residential premises of the Bank on rent, paying bank charges to the Bank, in the normal course of business borrow by way of Commercial Papers, Non-convertible Debentures, term loans, etc. The Company has also been availing the services of Canbank Computer Services Ltd., a subsidiary of the Sponsor Bank, as the Registrar & Share Transfer Agents of the Company (RTA) and also call centre unit for collections. Further, The Company has opened a demat account with Canara Bank Securities for placing unclaimed suspense account relating to the rights issue of shares during 2015. Further, the Company has registered itself with the Insurance Regulatory & Development Board of India w.e.f. December 01, 2017 and has inter-alia, entered into Distribution Agreement and Service Level Agreement with Canara HSBC Insurance Company Ltd., (erstwhile CHOICe), a joint venture Company of Canara Bank for carrying out Insurance agency business and has been earning commission income.

The Company has obtained prior approval/ratification of the shareholders for the material related party transactions which would be entered into or already entered into by the Company with Canara Bank and/or its subsidiaries for an amount not exceeding ₹ 6,000 Cr (Rupees Six Thousand Cr) only, by way of ordinary resolution at the 32nd Annual General Meeting of the Company held on July 17, 2019.

As on March 31, 2022 the overall related party transactions of the Company outstanding with Canara Bank was ₹ 1146.92 Cr.

In terms of clarification letter of SEBI dated April 08, 2022, we have placed the proposal before the members afresh for prior approval for related party transactions of an amount upto ₹ 6000 Cr from the date of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting.

The Company has been disclosing all the transactions with related parties on a quarterly basis to the stock exchanges along with the compliance report on Corporate Governance in terms of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Company maintains Register under Section 189 of the Companies Act, 2013. The management updates the Board and Audit Committee on the related party transactions, as set out in the financials on a quarterly basis. The Audit Committee and the Board takes the same on record and note that these transactions are at arm's length and in the ordinary course of business.

The disclosure in compliance with Accounting Standard on 'Related Party Disclosures' as required under Regulations 34(3) and 53(f) read with `Part A Schedule V' of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, are disclosed by the Company in the Notes forming part of the financial statements (Note No.44 at page No. 239 of the Annual Report) and the particulars of such contracts/ arrangements are provided as an annexure to the Report of Directors. This is in compliance of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

In compliance with Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted to the stock exchanges a note on Related Party Transactions, to the extent applicable, drawn in accordance with applicable accounting standards for the half year ended March 31, 2022.

The Company's Related Party Transactions Policy mainly covers the objectives, scope, transactions that are considered as related party transactions, identification of potential related party transactions, material modifications

to related party transactions, approval of related party transactions, procedure for seeking approval, review, disclosures etc. The Company's Related Party Transactions Policy is on the website of the Company placed at https://www.canfinhomes.com/pdf/Related-Party-Transactions-Policy-2021–22.pdf and also placed at the end of this Annual Report.

**(b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;**

The Company has complied with the requirements relating to Stock Exchanges/SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities. None of the Company's listed securities is suspended from trading.

(i) During FY 2020–21, NHB vide its letter dated October 15, 2020 had imposed a penalty of ₹ 5,900/- (inclusive of GST@18%) for alleged contravention of section 29 of the NHB Act, 1987, relating to creation of floating charge on SLR investments in favour of the Deposit Trustee, on SLR investment maintained to an extent of more than 13% (requirement 13%) on the total public deposit outstanding as on the last day of 2nd preceding quarter. The Company had sent a reply to NHB and remitted the amount.

(ii) During FY 2021–22, NHB vide its letter dated June 11, 2021, had imposed a penalty of ₹ 29,13,234/- plus applicable GST @18%, for accepting individual deposits aggregating to ₹ 14,56,617/- from five small depositors for a period of less than 12 months during 2018–19, in contravention with provisions of Para 4 of the HFCs (NHB) Directions, 2010. The Company had replied to NHB that five deposits aggregating to ₹ 14,56,617/- (out of about 4000 deposits), were accepted in the year 2018–19 for a tenure of less than 12 months by three of its branches inadvertently. NHB has imposed a penalty of twice the amount of deposits collected, i.e., ₹ 29,13,234/-. The Company had remitted the amount and had preferred an appeal to NHB against the levy of penalty.

The Company has taken all necessary measures to strengthen the checks and controls to ensure that such incidents do not recur.

**Regulatory orders:** There were no regulatory orders pertaining to the Company for the year ended March 31, 2022.

**(c) Details of establishment of vigil mechanism / whistle blower policy**

The Company has adopted a Whistle Blower Policy/ vigil mechanism for the Directors, employees and other stakeholders to enable them to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. Under this mechanism, the improper practice, if any, in the Company, can be directly reported to the Audit Committee. A communication in this regard has been sent to all the employees of the Company and reiterated during the Branch Managers' Conference, training programs and in Circulars.

The Company affirms that the mechanism provides adequate safeguards against victimization of Director(s)/ employee(s) who use the mechanism, provides for direct access to the Chairman of the Audit Committee and also affirms that no personnel have been denied access to the Audit Committee.

The details of establishment of the mechanism has been placed by the Company on its website at https://www.canfinhomes.com/pdf/Whistle- Blower-Policy-2021–22.pdf

**b) Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Work place:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has revisited the Internal Complaints Committee members and emphasized on the roles and responsibilities expected from the members.

Disclosures under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

| | |
|---|---|
| Number of Complaints filed during the financial year 2021-22 | Nil |
| Number of Complaints disposed of during the Financial year 2021–22 | Nil |
| Number of Complaints pending as on end of the financial year 2021-22 | Nil |

**(e) Details of compliance with mandatory requirements:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46 of the Listing Regulations.

This Corporate Governance Report of the Company for the FY21–22 and as on March 31, 2022 are in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate on compliance of Corporate Governance requirements, issued by the Statutory Auditors for the financial year ended March 31, 2022 is annexed to the Report of Directors in this Annual Report.

**(f) Subsidiaries**

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

**(g) Commodity risks faced by the Company during the year and commodity hedging activities:** Not applicable.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):** Nil for the year.

**(i) Certification from Company Secretary in Practice**

Shri S Kedarnath, M/s. S. Kedarnath & Associates, Practicing Company Secretaries, has conducted Secretarial Audit and his Audit Report is annexed to the required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. He has also issued a Certificate under Secretarial Compliance as required under Regulation 24A of the Listing Regulations. The above certificates are enclosed with the Report of Directors as Annexure-1.

**(j) Recommendations by Board Committees**

There have been no instances during the year where recommendations of the any Committee of the Board were not accepted by the Board.

**(k) Statutory Auditors Fee**

Total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors, is given below:

| Auditors Remuneration | ₹ in Lakhs |
|---|---|
| Audit Fees (Including Branch Statutory Auditors fees and Tax audit) | 68.11 |
| Tax Matters | - |
| Other Services (Certifications etc.) | 2.87 |
| Out of Pocket Expenses | 6.45 |
| Total | 77.43 |

For more details please refer Notes to account – Note No.29.1

**(l) Compliance with Accounting Standards**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as applicable read with Section 133 of the Companies Act, 2013 and guidelines issued by National Housing Bank/ Reserve Bank of India, as amended from time to time.

**(m) Secretarial Standards**

The Company has complied with the applicable provisions of secretarial standards issued by the Institute of Company Secretaries of India.

**(n) Loans and advances in the nature of loans to firms/ companies in which directors are interested:** There were no such instances during the year.

**(o) Shareholding of Non- Executive Directors**

None of the Non-Executive Directors of the Company hold any equity shares of the Company.

**(p) Management Discussion and Analysis Report**

The Management Discussion and Analysis Report forms part of the Report of the Directors, which includes discussion on industry structure, opportunities and threats, segment/ product wise performance, outlook, risks and concerns, internal control systems and their adequacy, financial performance with respect to operational performance, developments, if any, in Human Resources/Industrial Relations front, including number of people employed, details of significant changes in key financial ratios etc. The Senior Management personnel have made disclosures to the Board relating to all material transactions, where they have personal interest, which has a potential conflict of interest, if any, with the Company at large. The Company has disclosed the Code of Conduct for the Board and senior management, on the website of the Company.

**(q) Insider Trading Regulations**

The Company has adopted the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in accordance

with the SEBI PIT Regulations. This Code of Conduct is applicable to all the Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company.

These codes are framed to protect the interest of Shareholders at large and to prevent misuse of any Unpublished Price Sensitive Information (UPSI). The PIT Code aims at preventing insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives. The objective of Fair Disclosure Code is to ensure timely and adequate public disclosure of UPSI no sooner than credible and concrete information comes into being in order to make such information generally available.

The Company has also framed Policy and Procedure for inquiry in case of leak or suspected leak of UPSI.

Further compliance of the provisions of these Regulations as amended and circulars/notifications issued from time to time in this regard and about the effectiveness of the systems for internal controls operating in the Company are placed before the Audit Committee and Board on a yearly basis. The amended policy is available on our website at https://www.canfinhomes.com/pdf/Code-of-Conduct-on- PIT-Fair-Disclosure-of-UPSI-20032021.pdf

The Company has a software for tracking the movement/ exchange of unpublished price sensitive information and also a digital database of the designated persons for the purpose.

**(r)** Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

## 7. Compliance with discretionary requirements

The status of adoption of the non- mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, are as follows:

**(i)** **The Board:** The Chairman of the Company is Non-Executive Chairman;

**(ii)** **Shareholder Rights:** Half-yearly and other quarterly financial statements are published in newspapers, uploaded on Company's website https://www.canfinhomes.com/, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited; The Company protects and facilitates exercise of the rights of shareholders.

**(iii)** **Modified opinion(s) in audit report:** There were no qualifications/modified opinion(s) on financial statements by the Auditors.

**(iv)** **Reporting of Internal Auditor:** The Internal Auditor(s) of the Company may report directly to the Audit Committee without restrictions. The Internal Auditors, as stakeholders, have direct access to the Chairman of the Audit Committee under the Whistle Blower Policy of the Company, which is made available on the website at https://www.canfinhomes.com/pdf/Whistle-Blower-Policy-2021–22.pdf

## 8. The Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2) of SEBI LODR Regulations, 2015 read with its Amendments.

| Sl. No. | Particulars | Regulations No. | Brief Descriptions of the Regulations | Compliance Status (Yes/No/N.A.) |
|---|---|---|---|---|
| 1 | Board of Directors | 17(1), (1A), (1C) | Composition and Appointment of Board | Yes |
| | | 17(2), (2A) | Meeting of Board of Directors and quorum | Yes |
| | | 17(3) | Periodic review of Compliance Reports | Yes |
| | | 17(4) | Plans for orderly succession for appointments | Yes, as and when applicable |
| | | 17(5) | Code of Conduct | Yes |
| | | 17(6) | Fees/Compensation to Non-Executive Directors | Yes |
| | | 17(7) | Minimum Information to be placed before the Board | Yes |

| Sl. No. | Particulars | Regulations No. | Brief Descriptions of the Regulations | Compliance Status (Yes/No/N.A.) |
|---|---|---|---|---|
| | | 17(8) | Compliance Certificate by Chief Executive Officer and Chief Financial Officer | Yes |
| | | 17(9) | Risk Assessment procedures & Management plan | Yes |
| | | 17(10) | Evaluation of Independent Directors | Yes |
| | | 17(11) | Recommendation of Board for each item of special Business to be transacted at AGM | Yes |
| 2 | Maximum Number of Directorships | 17A | Directorships in listed entities | Yes |
| 3 | Audit Committee | 18(1) | Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting | Yes |
| | | 18(2) | Manner of conducting Audit Committee meeting | Yes |
| | | 18(3) | Role of the Committee and Review of information by the Committee | Yes |
| 4 | Nomination and Remuneration Committee | 19(1) & (2) | Composition of Nomination and Remuneration Committee and Quorum | Yes |
| | | 19(3) & (3A) | Presence of the Chairman of the Committee at the AGM & minimum frequency of holding meeting | Yes |
| | | 19(4) | Role of the Committee | Yes |
| 5 | Stakeholders' Relationship Committee | 20(1), (2), (3) & (3A) | Composition of Stakeholder Relationship Committee, Presence of the Chairman of the Committee at the AGM & minimum frequency of holding meeting | Yes |
| | | 20(4) | Role of the Committee | Yes |
| 6 | Risk Management Committee | 21(1), (2), (3) & (3A) | Composition of Risk Management Committee, frequency, quorum and manner of conducting meeting | Yes |
| | | 21(4), (5) & (6) | Role of the Committee, applicability & Committee powers | Yes |
| 7 | Vigil Mechanism | 22 (1) & (2) | Formulation of Vigil Mechanism for Directors and Employee, Adequate safeguards against victimization and Direct access to Chairperson of Audit Committee | Yes |
| 8 | Related Party Transaction | 23(1) | Policy on Materiality of related party transactions and dealing with related party transactions | Yes |
| | | 23(2) & (3) | Approval including omnibus approval of Audit Committee for all Related Party Transactions and review of transaction by the Committee periodically | Yes |
| | | 23(4) | Approval for Material Related Party Transactions | Yes |
| | | 23(9) | Disclosures of related party transactions to stock exchanges | Yes |
| 9 | Subsidiaries of the Company | 24(1) | Composition of Board of Directors of Unlisted Material Subsidiary | NA |
| | | 24(2), (3), (4), (5) ,(6) & (7) | Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed Entity | NA |
| 10 | Secretarial Audit | 24 (A) | Annual Secretarial Audit Report and Annual Secretarial Compliance Report | Yes |
| 11 | Obligations with respect to Independent Directors | 25(1)&(2), (2A) | Maximum Directorship & Tenure | Yes |
| | | 25(3) | Meeting of Independent Directors | Yes |
| | | 25(4) | Review of Performance by the Independent Directors | Yes |
| | | 25(7) | Familiarisation of Independent Directors | Yes |
| | | 25(8 & 9) | Declaration from Independent Director that he / she meets the criteria of independence | Yes |
| | | 25(10) & (12) | Directors and Officers insurance for all the Independent Director | Yes |

| Sl. No. | Particulars | Regulations No. | Brief Descriptions of the Regulations | Compliance Status (Yes/No/N.A.) |
|---|---|---|---|---|
| 12 | Obligations with respect to Senior Management, KMP, Directors and Promoters | 26(1)&(2) | Memberships & Chairmanship in Committees | Yes |
| | | 26(3) | Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel | Yes |
| | | 26(5) | Disclosures by Senior Management about potential conflicts of Interest | Yes |
| | | 26(6) | Not entering into agreement by employees including KMP or director or promoter | Yes |
| 13 | Other Corporate Governance Requirements | 27(1) | Compliance of Discretionary Requirements | Yes |
| | | 27(2) | Filing of Quarterly Compliance Report on Corporate Governance | Yes |
| 14 | Disclosures on Website of the Company | 46(2)(a) | Details of business | Yes |
| | | 46(2)(b) | Terms and conditions of appointment of Independent Directors | Yes |
| | | 46(2)(c) | Composition of various committees of Board of Directors | Yes |
| | | 46(2)(d) | Code of Conduct of Board of Directors and Senior Management personnel | Yes |
| | | 46(2)(e) | Details of establishment of Vigil Mechanism / Whistle Blower policy | Yes |
| | | 46(2)(f) | Criteria of making payments to Non-Executive Directors | Yes |
| | | 46(2)(g) | Policy on dealing with Related Party Transactions | Yes |
| | | 46(2)(h) | Policy for determining 'material' subsidiaries | NA |
| | | 46(2)(i) | Details of familiarization programmes | Yes |
| | | 46(2)(j) | The email address for grievance redressal and other relevant details | Yes |
| | | 46(2)(k) | Contact information of the designated officials handling investor grievances | Yes |
| | | 46(2)(l) | Financial information | Yes |
| | | 46(2)(m) | Shareholding pattern | Yes |
| | | 46(2)(n) | Details of agreements entered with the media companies | NA |
| | | 46(2)(o) | Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors. | Yes |
| | | 46(2)(p) | New name and the old name of the listed entity for a continuous period of one year | NA |
| | | 46(2)(q) | Advertisement in Newspapers (as per Reg 47) | Yes |
| | | 46(2)(r) | Credit ratings for all outstanding instruments | Yes |
| | | 46(2)(s) | Separate audited financial statements of each subsidiary | NA |
| | | 46(2)(t) | Secretarial compliance report | Yes |
| | | 46(2)(u) | Disclosure of the policy for determination of materiality of events or information | Yes |
| | | 46(2)(v) | Disclosure of contact details of KMP's for determination of materiality of events or information | Yes |
| | | 46(2)(w) | Disclosure of events or information on the website of the Company(as per Reg 30(8)) | Yes |
| | | 46(2)(x) | Statements of deviation(s) or variation(s) | Yes |
| | | 46(2)(y) | Dividend Distribution Policy | Yes |
| | | 46(2)(z) | Annual return | Yes |

## 9. Compliance with the Code of Conduct:

The Company has adopted the "Code of Conduct for Directors & Independent Directors" and "Code of Conduct for Senior Management of Can Fin Homes Ltd". The Codes are available on the website of the Company at https:// www.canfinhomes.com/policies-codes.aspx

The Managing Director and CEO of the Company has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct of Board of Directors and Senior Management respectively, during the FY22. The said declaration has been placed as Annexure 1 to this Report.

## 10. CEO and CFO Certification

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015, a certificate from the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company confirming, amongst other aspects, the correctness of the financial statements, adequacy of internal control measures and matters to be reported to the Audit Committee, were taken on record at the Board meeting held on April 29, 2022 convened for approval of the audited financial results of the Company for the year under review. The said certification has been placed as Annexure 3 to this report.

## 11. Disclosures with respect to demat suspense account/ unclaimed suspense account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

| Particulars | Number of shareholders | Number of equity shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 7 | 2275 shares of ₹ 2/- each |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | Nil | Nil |
| Shareholders to whom shares were transferred from the suspense account during the year | Nil | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022 | 7 | 2275 shares of ₹ 2/- each |

The voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares. During the year ended March 31, 2022, the Company neither received any claims from its shareholders for transfer of shares from unclaimed Suspense Account nor were any shares transferred from unclaimed Suspense Account to IEPF.

## 12. Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the Shareholders whose e-mail addresses are registered with NSDL or CDSL or the Shareholders who have registered their e-mail IDs with the Company / RTA, to receive the documents in electronic form and physical copies to those Shareholders whose e-mail IDs have not been registered either with the company or with the depositories and specific request is received for physical copies.

To support this green initiative of the Government, Shareholders are requested to register their e-mail addresses, with the Depository Participants (DPs) in case shares are held in dematerialized form and with the R & T Agents in case the shares are held in physical form and also intimate changes, if any, in their registered e-mail addresses to the DPs, from time to time.

## 13. Report on Corporate Governance

The Company has complied with the mandatory requirements as stipulated under Regulation 27 and Part C (11) of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015. The quarterly compliance reports on corporate governance together with a statement on related party transactions are submitted by the Company to the stock exchanges within the prescribed time limit, duly signed by the Compliance Officer of the Company. The Corporate Governance reports are uploaded in the Company's website for the information of all stakeholders.

For and on behalf of the Board of Directors

Sd/-
**L V Prabhakar**
Chairman

Place: Bengaluru
Date : August 04, 2022

# Annexure 1

## DECLARATION BY THE CEO - CODE OF CONDUCT

[Schedule V(D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,
**Can Fin Homes Ltd.**
Bengaluru

Dear Members of the Board,

**Sub: Compliance with Code of conduct by the Board of Directors and Senior Management Personnel**

I, Girish Kousgi, Managing Director & Chief Executive Officer of Can Fin Homes Ltd., hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended March 31, 2022.

Sd/
**Girish Kousgi**
Managing Director & CEO

Place: Bengaluru
Date: April 20, 2022

# Annexure 2

## CERTIFICATE BY PRACTICING COMPANY SECRETARY

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members
**Can Fin Homes Limited,**
Bengaluru-560004

In pursuance of Regulation 34(3) read with sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Can Fin Homes Limited, having CIN: L85110KA1987PLC008699, and having Registered Office at No. 29/1, 1st Floor, Sir M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi, Bengaluru- 560004, it is hereby certified that:

In our opinion and to the best of our information and on the basis of examination of the relevant registers, records, forms, returns, verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) and written representations/ declarations received from the directors and taken on record by the Board of Directors, as considered necessary, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or any such other statutory authority for the financial year ended as on March 31, 2022.

For S. KEDARNATH & ASSOCIATES

Sd/-
**S.Kedarnath**
Company Secretary
CS No. 3031, CP No. 4422
UDIN No. F00303 1D00054637 6

Place: Bengaluru
Date: June 30, 2022

# Annexure 3

## CEO/CFO CERTIFICATION FOR THE YEAR ENDED MARCH 31, 2022

[Pursuant to Regulation 17(8) and Part B of Schedule II of SEBI (LODR) Regulations, 2015]

The Board of Directors
**Can Fin Homes Limited**
Bengaluru

Dear Board Members

**Sub: CEO and CFO certification for the year ended March 31, 2022 in terms of Regulation 17(8) and Part B of SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015**

In terms of Regulation 17(8) read with Part B of the SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

a) We have reviewed Financial Statements and the Cash Flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2022, which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee

   i. Significant changes in internal control over, financial reporting during the year;

   ii. Significant changes in accounting policies, if any, during the year and the same have been disclosed in the notes to the financial statements; and

   iii. Instances during the year of significant fraud, if any, with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

| | Sd/- | Sd/- |
|---|---|---|
| Place: Bengaluru | **Prashanth Joishy** | **Girish Kousgi** |
| Date: April 29, 2022 | Asst. General Manager & CFO | Managing Director & CEO |

# 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 regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, hereinafter referred to as `SEBI regulations'.]

Pursuant to Circular issued by Ministry of Corporate Affairs ('MCA') dated May 05, 2020 read together with MCA General Circular Nos. 14 & 17/2020 dated April 08, 2020 and April 13, 2020 respectively and SEBI's Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, companies were allowed to conduct their AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) for the calendar year 2020. Accordingly, the Company conducted the AGM through VC/OAVM facility. Further, MCA General Circular No. 02/2021 dated January 13, 2021 and SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 has further extended relaxations to companies to conduct their AGMs through Video Conferencing (VC) or through Other Audio-Visual Means (OAVM) and accordingly, the Company conducted the AGM through VC/OAVM facility. Further, MCA General Circular No.02/2022 and 03/2022 dated May 05, 2022 has further extended relaxations to companies to conduct their AGMs through Video Conferencing (VC) or through Other Audio-Visual Means (OAVM) up to December 31, 2022. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice of AGM and this mode will be available throughout the proceedings of the AGM.

## 35TH ANNUAL GENERAL MEETING (AGM)

| Date and time | Mode<br>Participation through Video Conferencing and Other Audio-Visual Means (OAVM) | E-voting dates |
|---|---|---|
| Wednesday, September 07, 2022 at 11:00 a.m. IST | **Webcast and transcripts**<br>https://www.canfinhomes.com/events.aspx<br>Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and May 05, 2022.<br>Deemed venue for the meeting: Can Fin Homes Ltd.<br>Registered Office, No. 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru–560004 | September 03 - 06, 2022 |

**Financial calendar**

The Company's financial year begins on April 1 and ends on March 31. Our tentative calendar for holding meetings of the Audit Committee and Board of Directors for declaration of results for the financial year 2022-23 are as given below:

| Nature of Meeting | Purpose | Probable date | Trading window closure |
|---|---|---|---|
| **Audit Committee/ Board Meeting** | To review, approve and take on record the financial results for the quarter ended June 30, 2022. | Meeting held on July 21, 2022 | From 30/06/2022 to July 23, 2022 |
| **Audit Committee/ Board Meeting** | To review, approve and take on record the financial results for the quarter and half year ending September 30, 2022. | During Second/ Third week of October, 2022 | From 30/09/2022 to 48 hours (2 days) after disclosure of financial results |
| **Audit Committee/ Board Meeting** | To review, approve and take on record the financial results for the quarter and 9 months ending December 31, 2022. | During Second/ Third week of January, 2023 | From 31/12/2022 to 48 hours (2 days) after disclosure of financial results |
| **Audit Committee/ Board Meeting** | To review, approve and take on record the Audited financial results for the quarter and the financial year ending March 31, 2023. | During Second/ Third week of April, 2023 | From 31/03/2023 to 48 hours (2 days) after disclosure of financial results |

## RECORD DATE:

Friday, August 19, 2022 is fixed as the 'Record Date' for determining entitlement of the members to Final Dividend for the financial year ended March 31, 2022.

## DIVIDEND PAYMENT:

The Company had paid an interim dividend of ₹ 1.50 per equity share of face value of ₹ 2/- each (75%) on December 29, 2021.

Further, the Board of Directors of the Company have recommended a final dividend of ₹ 1.50 per equity share of face value of ₹ 2/- each (75%) for the financial year ended March 31, 2022, subject to approval of the shareholders at the ensuing annual general meeting and if declared, will be paid within 10 days to the shareholders who have furnished bank account details to the Company/its Registrar & Transfer Agents. Physical warrants/demand drafts shall be dispatched to the shareholders, who have not registered their ECS mandates/not provided bank account particulars. Dividend amount payable will be subject to deduction of tax at source (TDS) at applicable rates. The details of Deduction of tax at source on dividend (TDS) at applicable rates are made available on the website of the Company https://www.canfinhomes.com/investor-services.aspx

**Entitlement for Dividend:**

i. For the shares held in physical form: To the shareholders whose names appear on the register of members as at the close of business hours on Friday, August 19, 2022.

ii. For shares held in electronic form: To the Beneficial owners whose name appear in the statements of beneficial position furnished by the National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on Friday, August 19, 2022.

## LISTING OF EQUITY SHARES

| Sl. No | Name of the Stock Exchange | Address of the Stock Exchange | Stock Code | ISIN |
|---|---|---|---|---|
| 1. | National Stock Exchange of India Ltd. | Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 | CANFINHOME | INE477A01020 |
| 2. | BSE Limited | Floor 25, PJ Towers, Dalal Street, Mumbai – 400 001, www.bseindia.com | 511196 | INE477A01020 |

## LISTING OF DEBT SECURITIES

The Non-Convertible Debentures (NCDs) issued by the companies on private placement are listed on WDM segment of National Stock Exchange of India Limited.

| | |
|---|---|
| Debenture Trustees | SBICAP Trustees Company Limited<br>Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road,<br>Churchgate, Mumbai - 400 020<br>Tel : 022-43025555, Fax : 022-43025500 |

## LISTING OF COMMERCIAL PAPERS

As per SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, captioned 'Operational circular for issue and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper'. The Company has listed its Commercial Papers (CPs) on BSE Limited (BSE).

## LISTING FEE

The listing fee as applicable for the year 2021-22 have been paid to the above Stock Exchanges where the securities of the Company are listed within the prescribed time.

The Annual Custodial Fee for 2021-22 has been paid within the due dates to CDSL and NSDL.

**List of outstanding NCDs as on 31/03/2022:**

| SN | ISIN | Tenor | Coupon | Amount Issued (₹ In Cr.) | Allotment Date | Redemption Date | Secured/ Unsecured |
|---|---|---|---|---|---|---|---|
| 1 | INE477A08025 | 10 Years | 8.94% | 100 | 03-12-2014 | 03-12-2024 | Unsecured |
| 2 | INE477A07241 | 60 months | 7.89% | 600 | 18-05-2017 | 18-05-2022 | Secured |
| 3 | INE477A07282 | 39 months | 7.85% | 250 | 27-02-2020 | 26-05-2023 | Secured |
| 4 | INE477A07290 | 36 months | 6.25% | 275 | 24-12-2020 | 22-12-2023 | Secured |
| 5 | INE477A07308 | 39 months | 6.10% | 275 | 10-11-2021 | 10-02-2025 | Secured |
| 6 | INE477A07316 | 36 months | 6.70% | 500 | 25-02-2022 | 25-02-2025 | Secured |
| 7 | INE477A07324 | 39 months | 6.80% | 700 | 10-03-2022 | 10-06-2025 | Secured |
| 8 | INE477A07332 | 39 months | 6.80% | 260 | 25-03-2022 | 25-06-2025 | Secured |
| 9 | INE477A07340 | 39 months | 6.85% | 400 | 30-03-2022 | 30-06-2025 | Secured |

**List of outstanding CPs as on 31/03/2022:**

| SN | ISIN | Tenor | Coupon | Amount issued (₹ in Cr) | Allotment Date | Redemption Date | Secured/ Unsecured |
|---|---|---|---|---|---|---|---|
| 1 | INE477A14BL0 | 294 days | 4.19% | 350 | 30-08-2021 | 20-06-2022 | Unsecured |
| 2 | INE477A14BM8 | 229 days | 4.18% | 350 | 15-09-2021 | 02-05-2022 | Unsecured |
| 3 | INE477A14BN6 | 189 days | 4.25% | 300 | 01-10-2021 | 08-04-2022 | Unsecured |
| 4 | INE477A14BO4 | 361 days | 4.77% | 500 | 01-10-2021 | 27-09-2022 | Unsecured |
| 5 | INE477A14BP1 | 281 days | 4.86% | 250 | 23-11-2021 | 31-08-2022 | Unsecured |
| 6 | INE477A14BR7 | 201 days | 4.80% | 295 | 05-01-2022 | 25-07-2022 | Unsecured |
| 7 | INE477A14BS5 | 188 days | 4.66% | 250 | 21-01-2022 | 28-07-2022 | Unsecured |
| 8 | INE477A14BT3 | 261 days | 5.20% | 500 | 08-02-2022 | 27-10-2022 | Unsecured |

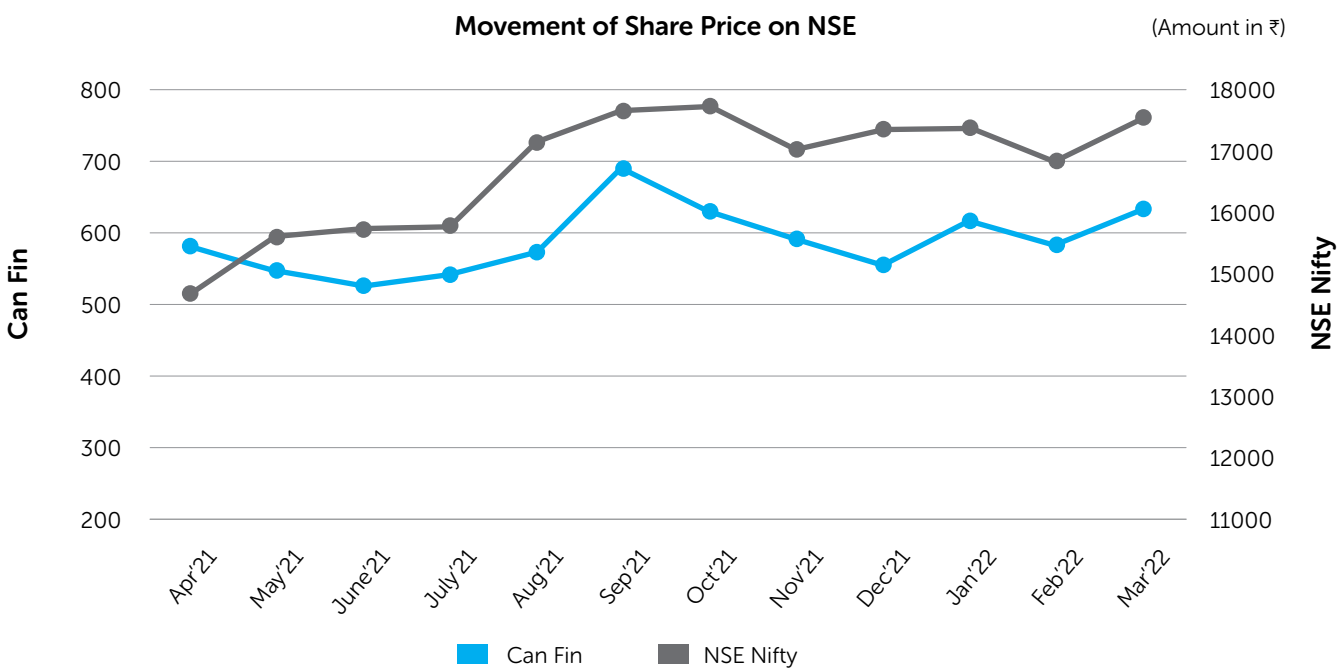
## MARKET PRICE DATA – HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR

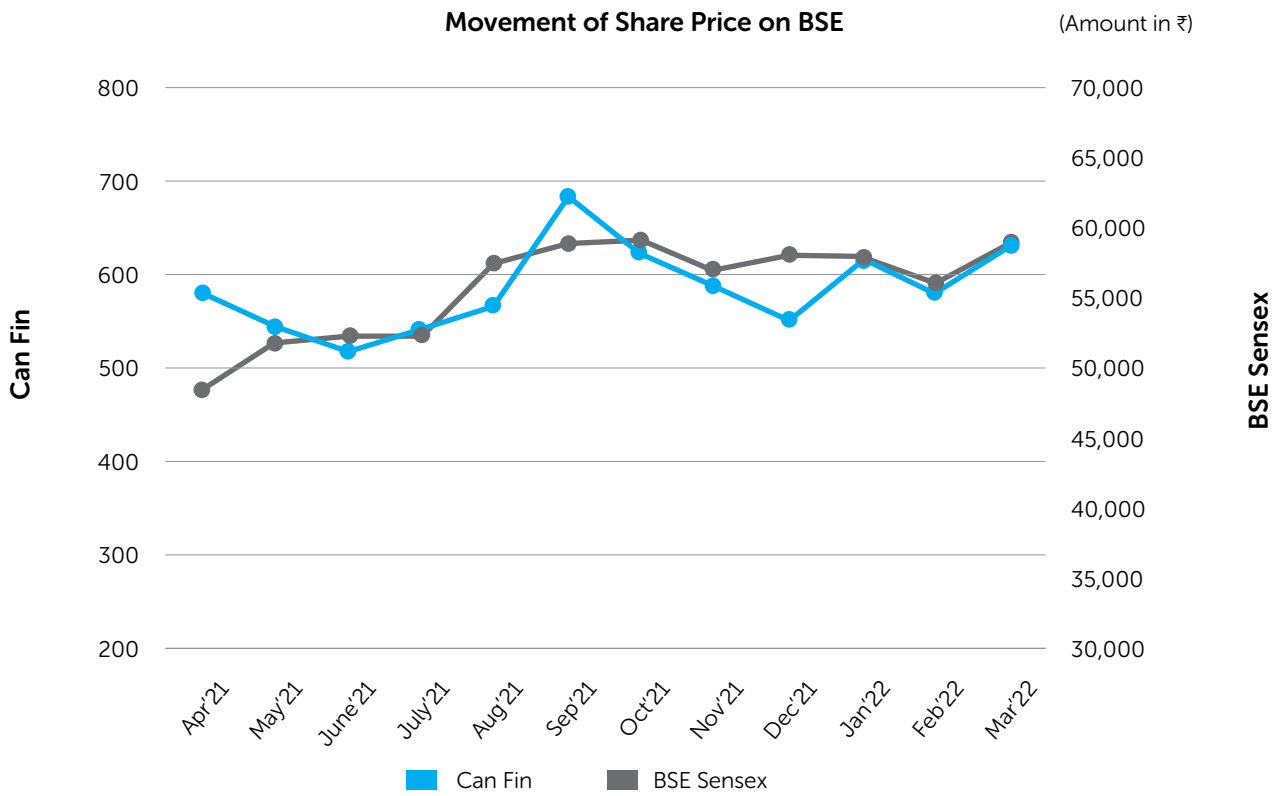
| Month and Year | National Stock Exchange of India Ltd. (NSE) | | Bombay Stock Exchange Ltd. (BSE) | |
|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April, 2021 | 619.90 | 489.20 | 617.55 | 490.00 |
| May, 2021 | 596.60 | 502.45 | 596.00 | 502.50 |
| June, 2021 | 570.00 | 501.50 | 570.00 | 501.40 |
| July, 2021 | 568.75 | 508.50 | 568.80 | 508.90 |
| August, 2021 | 600.00 | 491.80 | 599.90 | 492.05 |
| September, 2021 | 691.00 | 550.05 | 691.00 | 550.90 |
| October, 2021 | 722.00 | 614.30 | 721.25 | 613.70 |
| November, 2021 | 675.45 | 573.65 | 675.00 | 570.00 |
| December, 2021 | 619.90 | 518.25 | 619.50 | 518.55 |
| January, 2022 | 642.00 | 554.05 | 641.10 | 555.00 |
| February, 2022 | 669.95 | 542.10 | 669.90 | 541.75 |
| March, 2022 | 634.75 | 520.20 | 634.05 | 520.25 |

* The securities were not suspended from trading, any time during FY22.

## STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The chart below shows the comparison of the Company's monthly share price movements vis-à-vis the movement of the NSE Nifty and BSE Sensex for the financial year ended March 31, 2022 (based on the month end closing):



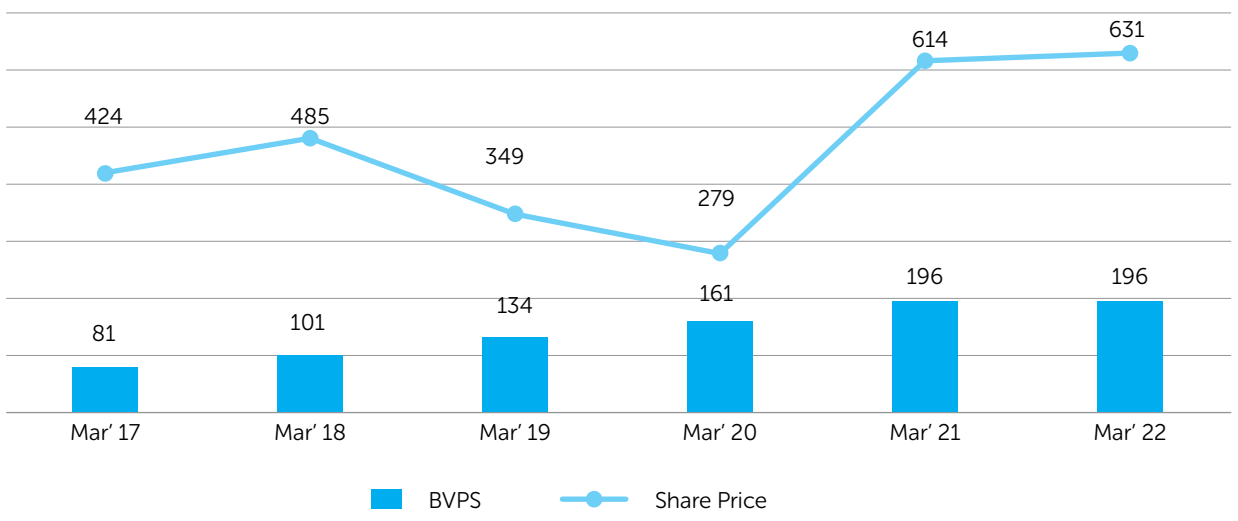



## STOCK PRICE AND BOOK VALUE – YEAR TO YEAR – 2017 to 2022

Book Value per share as on March 31, 2022 = ₹ 230.31 per equity share of face value of ₹ 2/- per share.

Market Value per share as on March 31, 2022 (High) = ₹ 634.75 (NSE), ₹ 634.05 (BSE).

Graphical representation




P.S.: Face value of share is ₹ 2/- per share, since Oct'17. Hence, for the sake of fair presentation, the face value of shares for Mar'17 also has been converted to ₹ 2/- per share.

## REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

Canbank Computer Services Ltd., Unit: Can Fin Homes Ltd.,
R&T Centre, No.218, J P Royale, I Floor,
2nd Main, Sampige Road (Near 14th Cross), Malleshwaram,
Bengaluru 560003
Tel: 080-23469661/62, 23469664/65 Fax: 080-23469667;
e-mail: ravi@ccsl.co.in and naidu@ccsl.co.in

## SHARE TRANSFER SYSTEM

The Board has delegated the powers to the Company Secretary and one of the Asst. General Managers at the Registered Office of the Company to consider and approve share transmissions /consolidation / sub-division, etc. and such requests are processed once in ten days. However, in cases of disputes over title to shares pending before Courts or where stop transfer instructions are registered by owners, the transfers take place on resolution of disputes between the parties and/or in terms of the applicable provisions of law.

The matter connected with the share transfer/transmission and other related matters are being handled by Registrars and Transfer Agents located in the address mentioned above. In terms of SEBI (LODR) (Fourth Amendment) Regulations, 2018, w.e.f. 01/04/2019, requests for effecting transfer of securities shall not be processed unless the securities are in dematerialized form with a depository. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days.

Grievances received from the investors and other correspondences relating to change of address, transmission, dematerialization, revalidation, mandates, etc., are processed by our RTA within stipulated timelines as per SEBI guidelines from time to time. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Certificates are being obtained and submitted to Stock Exchanges on half yearly basis from a Company Secretary in practice towards due compliance of share transfer formalities by the company within the due dates, in terms of Regulation 40 (9) of SEBI LODR Regulations, 2015.

The Company as required under Regulation 46 of the SEBI LODR Regulations, 2015, has designated the following email ID namely investor.relationship@canfinhomes.com for the purpose of registering complaints if any by the investors and expeditious redressal of their grievances.

The Shareholders are therefore, requested to correspond with RTA for transfer/transmission of shares, change of address and queries pertaining to their shareholdings at the address given in this report.

## PROCEEDS FROM PUBLIC ISSUES, RIGHTS ISSUE AND PREFERENTIAL ISSUE, AMONG OTHERS

The Company did not raise money through any public issue, rights issue or preferential issue during FY 2021-22.

## DEMATERIALISATION OF SHARES AND LIQUIDITY

The equity shares of the Company are in the list of scripts specified by SEBI to be compulsorily traded in the electronic form. About 98.75% of paid up capital is held in dematerialised form and the remaining 1.25% 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.

## RECONCILIATION OF SHARE CAPITAL AUDIT

As required by the Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Secretarial Auditor's Certificate with regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors.

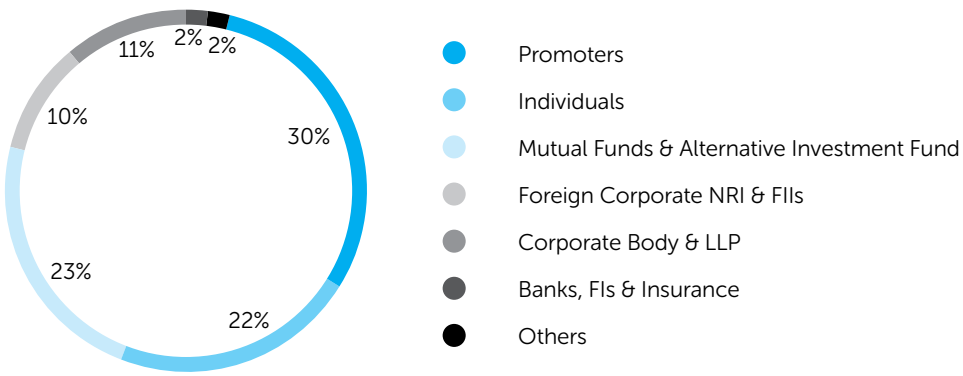
## ADDRESS FOR CORRESPONDENCE

Shareholder's correspondence may please be addressed to the Registrar & Share Transfer Agents at the above-mentioned address. They may also contact Investor Relationship Dept., Can Fin Homes Ltd., Registered Office, 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru–560004. (Tel: 080 48536192; Fax: 080 26565746); E-mail: investor.relationship@canfinhomes.com

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

| Amount (₹) | Members | | Shares | |
|---|---|---|---|---|
| | Number | % | Amount (₹) | % |
| Upto – 5000 | 85,198 | 89.17 | 1,57,10,036 | 5.90 |
| 5001 – 10000 | 5,097 | 5.33 | 78,48,838 | 2.95 |
| 10001-20000 | 2,864 | 3.00 | 83,66,904 | 3.14 |
| 20001-30000 | 859 | 0.90 | 43,51,266 | 1.63 |
| 30001-40000 | 387 | 0.41 | 27,36,404 | 1.03 |
| 40001-50000 | 251 | 0.26 | 23,33,386 | 0.88 |
| 50001-100000 | 450 | 0.47 | 63,33,638 | 2.38 |
| 100001 and above | 441 | 0.46 | 21,86,27,778 | 82.10 |
| **TOTAL** | **95547** | **100.00** | **26,63,08,250** | **100.00** |

Shareholdings as on March 31, 2022




## SHAREHOLDING PATTERN OF THE COMPANY AS ON MARCH 31, 2022

| Sl. No | Particulars/ Category of Shareholder | No. of Shareholders | Total number of shares | Total shareholding as % of total No. of equity share holdings (%) | No. of equity shares in de-mat form | Total demat shareholding as % of total No. of equity share holdings (%) |
|---|---|---|---|---|---|---|
| 1 | Promoter | 1 | 39930365 | 29.99 | 39930365 | 29.99 |
| 2 | Mutual Funds | 100 | 28861685 | 21.68 | 28860685 | 21.67 |
| 3 | Alternate Investment Funds | 9 | 1334519 | 1.00 | 1334519 | 1.00 |
| 4 | Financial Institutions/ Banks | 4 | 1854 | - | 604 | 0.00 |
| 5 | Insurance Companies | 14 | 2681532 | 2.01 | 2681532 | 2.01 |
| 6 | Foreign Institutional Investors | - | - | - | - | - |
| 7 | Body Corporate | 816 | 13942874 | 10.47 | 13901624 | 10.44 |
| 8 | Individuals | 90042 | 29680161 | 22.29 | 28058066 | 21.07 |
| 9 | Trusts | 8 | 136144 | 0.10 | 136144 | 0.10 |
| 10 | Director & their relatives | - | - | - | - | - |

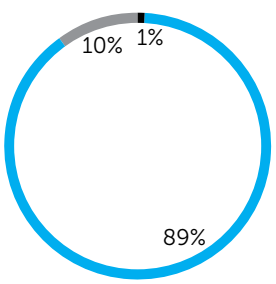
| Sl. No | Particulars/ Category of Shareholder | No. of Shareholders | Total number of shares | Total shareholding as % of total No. of equity share holdings (%) | No. of equity shares in de-mat form | Total demat shareholding as % of total No. of equity share holdings (%) |
|---|---|---|---|---|---|---|
| 11 | Non Resident Indians | 2770 | 1187654 | 0.89 | 1187654 | 0.89 |
| 12 | Clearing Members | 110 | 158921 | 0.12 | 158921 | 0.12 |
| 13 | Hindu Undivided Family | 1392 | 1752195 | 1.32 | 1752195 | 1.32 |
| 14 | Employees | 47 | 24635 | 0.02 | 24635 | 0.02 |
| 15 | Limited Liability Partnership/ Qualified Foreign Investor | 115 | 302076 | 0.23 | 302076 | 0.23 |
| 16 | Foreign Financial Institutions | 1 | 2000 | - | - | - |
| 17 | Foreign Corporate Bodies | 117 | 12691710 | 9.53 | 12691710 | 9.53 |
| 18 | Foreign Nationals | - | - | - | - | - |
| 19 | IEPF Authority | 1 | 465800 | 0.35 | 465800 | 0.35 |
| | **GRAND TOTAL** | **95547** | **133154125** | **100.00** | **131486530** | **98.75** |

## SHAREHOLDERS HOLDING MORE THAN 1% OF THE SHARES

| Sl. No | Name of the Shareholder | No. of shares | % |
|---|---|---|---|
| 1 | Canara Bank-Mumbai | 39930365 | 29.99 |
| 2 | Chhattisgarh Investments Limited | 8635330 | 6.49 |
| 3 | Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Small Cap Fund | 2692513 | 2.02 |
| 4 | Sarda Energy And Minerals Limited | 1980000 | 1.49 |
| 5 | DSP Flexi Cap Fund | 1668408 | 1.25 |
| 6 | PGIM India Trustees Private Limited A/C PGIM India Flexi Cap Fund | 1575000 | 1.18 |
| 7 | L and T Mutual Fund Trustee Ltd-L and T India Value Fund | 1402500 | 1.05 |
| 8 | Vanguard Emerging Markets Stock Index Fund | 1375023 | 1.03 |

## Shares held in dematerialized status as on March 31, 2022

| Status of Dematerialisation | No. of Shares | % of Total Shares |
|---|---|---|
| Shares held in NSDL | 117840286 | 88.50 |
| Shares held in CDSL | 13646244 | 10.25 |
| Shares held in Physical Form | 1667595 | 1.25 |




Shares held in NSDL

Shares held in CDSL

Shares held in Physical Form

## CREDIT RATINGS

| Credit Rating Agency | Instrument | Ratings FY 2022 | Revisions, if any FY 2021 | Revision Rational |
|---|---|---|---|---|
| India Ratings and Research Pvt. Ltd. (FITCH) | Debentures | IND AA+ (Stable) | IND AA (Stable) | # |
| | Tier II Bonds | IND AA+ (Stable) | IND AA (Stable) | # |
| | Commercial Papers | IND A1+ | None | NA |
| CARE Limited | Debentures | CARE AAA (Stable) | CARE AAA (Negative) | * |
| | Tier II Bonds | CARE AAA (Stable) | CARE AAA (Negative) | * |
| | Commercial Papers | CARE A1+ | None | NA |

| Credit Rating Agency | Instrument | Ratings FY 2022 | Revisions, if any FY 2021 | Revision Rational |
|---|---|---|---|---|
| ICRA Limited | Debentures | [ICRA]AA+ (Stable) | None | NA |
| | Tier II Bonds | [ICRA]AA+ (Stable) | None | NA |
| | Commercial Papers | [ICRA]A1+ | None | NA |
| | Deposits | ICRA AA+ (Stable) | MAAA(Stable) | @ |

# Company's Long-Term Issuer Rating upgraded while reaffirming the Outlook as "Stable".
*Outlook revised from negative to "stable".
@Migration of rating construed only as a recalibration of the rating from one scale to another as per SEBI Circulars dated July 16, 2021 and not as a reflection of change in the credit risk of the fixed deposit programme.

## OTHER INFORMATION

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence, as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:** Nil

**Office Location:** In view of the nature of the Company's business viz., housing finance & service industry, the Company operates from various offices in India. Registered office of the Company is situated in Bengaluru and the details of all the branches of the Company are provided at the end of the report.

## UNCLAIMED DIVIDEND

**Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, any money transferred to the unpaid Dividend Account of the Company, which remains unclaimed for a period of 7 years, shall be transferred to IEPF.**

| Dividend relevant years | Dividend Per Share (Face value of ₹ 10/- upto FY16-17 & ₹ 2/-from FY17-18) | Balance in unpaid dividend account as on March 31, 2022 (₹) | Unclaimed dividend as a % of total amount of dividend declared | Declared at the AGM/ paid by the Board | Due date for transfer to Protection Fund (IEPF)* |
|---|---|---|---|---|---|
| 2014-15 | 7.00 | 2102443.00 | 1.13 | 08/07/2015 | 08/07/2022 |
| 2015-16 | 10.00 | 2801210.00 | 1.05 | 20/07/2016 | 20/07/2023 |
| 2016-17 | 10.00 | 2983930.00 | 1.12 | 28/06/2017 | 28/06/2024 |
| 2017-18 | 2.00 | 2705792.00 | 1.02 | 18/07/2018 | 18/07/2025 |
| 2018-19 | 2.00 | 2491658.00 | 0.94 | 17/07/2019 | 17/07/2026 |
| 2019-20 | 2.00 | 3130392.83 | 1.18 | 26/08/2020 | 26/08/2027 |
| 2020-21 | 2.00 | 3385318.60 | 1.27 | 08/09/2021 | 08/09/2028 |
| Interim Dividend 2022# | 1.50 | 1560208.79 | 0.78 | 14/12/2021 | 14/12/2028 |

#Balance is as on 29/04/2022.

P.S.: Members of the Company can claim the unclaimed dividend, if any, from the Company before the respective due dates of transfer to IEPF. As per Section 124(4) of the Companies Act, 2013 any person entitled to claim any money transferred to IEPF, may apply to the IEPF Authority for refund of the dividend amount and/or shares.

## TRANSFER OF SHARES TO IEPF DEMAT ACCOUNT

In terms of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, our Company is required to transfer all the shares, in respect of which dividend amounts have not been paid or claimed for 7 consecutive years, to 'IEPF Demat Account' opened with the Depository for the purpose by the Company.

In terms of the above Rules, reminder letters were sent to shareholders who have not claimed their dividends for a consecutive period of 7 years, informing that their shares will be transferred to IEPF suspense account on the prescribed due dates, if they do not place their claim for unclaimed dividend amounts before the Company. During FY 2021-22 your Company has transferred 51,500 Nos. of equity shares pertaining

to 64 shareholders to IEPF. Your Company has provided the IEPF Rules, the paper notifications issued, lists of shareholders, whose shares have been transferred to IEPF in the 'Investor Page' on the website of the Company. Any shareholder can claim the shares by filing the claim in the prescribed form (E-form IEPF-5).

During the year, the Company received four applications from shareholders for claiming back shares from IEPF. Nodal Officer has provided the verification reports to IEPF Authority for processing of claim refunds. As on March 31, 2022, IEPF Authority holds 4,65,800 shares on account of transfer of shares under IEPF Rules.

## ISSUE OF DUPLICATE DIVIDEND WARRANTS

The Company has been making remittances, if any, to members through electronic mode like NACH, NEFT or RTGS, as the case may be, into the bank account as per details sought from NSDL/ CDSL (demat accounts) and to the account particulars furnished to the Company/RTA by the physical holders, in terms of the SEBI circular dated March 21, 2013. In respect of bounced transactions, the Company has been issuing Dividend Warrants or Demand Drafts. A request for issue of duplicate dividend warrant / transfer of dividend amount to the bank account of the member directly can be processed after the expiry of the validity period of the original instrument, after complying with the simple prescribed procedural formalities. Shareholders who have lost their warrants/where the warrants are stale (older than 3 months) may write to RTA for payment of dividend amount directly into their Bank accounts by way of NEFT, RTGS, etc.

**Updation of shareholders details, PAN, Bank Account Particulars, Nomination:**

i. Shareholders holding shares in physical form are requested to notify the changes, if any, to the Company/RTA, promptly by a written request under the signatures of sole/first/joint holder.

   The Securities & Exchange Board of India (SEBI) vide its circular SEBI/HO/MIRSD/ MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 has notified simplified norms for processing investors service request by RTA and mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities.

   All holders of physical securities of the Company are requested to mandatorily furnish/ update the following documents/details with the RTA i.e. Canbank Computer Services Ltd before April 1, 2023, failing which all the incomplete folios of such shareholders shall be frozen:

   a) PAN
   b) Nomination
   c) Contact Details including Postal address with PIN code, Mobile Number, E-mail address
   d) Bank Account details including Bank name and branch, Bank account number, IFS code
   e) Specimen Signature

   In this connection, the following forms as notified by SEBI, are made available on our website www.canfinhomes.com :

   a. Form ISR-1 (Request for registering PAN, KYC details or changes / up-dation thereof)
   b. Form ISR-2 (Confirmation of Signature of securities holder by the Banker)
   c. Form SH-13 (Nomination form)
   d. Form ISR-3 (Declaration for opt-out of Nomination)
   e. Form SH-14 (Change in Nomination)

ii. Shareholders holding shares in electronic/DEMAT form are requested to send their instructions directly to their DPs. Please register your Nomination with your Depository participant (DP). Please also verify the details provided to your DP and update your bank account particulars, change of address, if any, your mobile telephone number and the e-mail ID to your (DP) for prompt and hassle free services.

   Company has sent reminder letters to all physical shareholders, at their address registered with the Company/ RTA, requesting for updating their e-mail, mobile, bank account, Aadhar etc., vide letter dated December 06, 2021.

## BANK ACCOUNT PARTICULARS

SEBI has issued a Circular CIR/MRD/ DP/10/2013 dated March 21, 2013 [in the light of developments in the field of electronic payment system by various modes viz., National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) etc.,] whereby it has been made mandatory for the Companies to maintain requisite bank details of their investors. Further, as per MCA General Circular No.20/2020 dated 05/05/2020, dividend amount has been credited directly into the Bank accounts by way of NEFT, RTGS, etc. of the shareholders who have furnished bank account details to the Company / Registrar. In terms of the said circulars, the Company has been making remittances, if any, to members through electronic mode into the bank account as per details sought from NSDL/ CDSL (demat accounts) and to the account particulars furnished to the Company/RTA by the physical holders.

Members are requested to update the bank account particulars or any change in the Bank account particulars promptly to their

respective depository, if the shares are held in demat mode or to the Company or the RTA if the shares are still held in physical mode.

## NOMINATION

Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, individual/joint members of the Company may at any time, nominate in Form No.SH-13, any person as his/ her nominee in whom the security shall vest in the event of his/her death. Only individual shareholder(s) applying for/holding shares on his/ her behalf can make a nomination. If the shares are held jointly, all the holders shall together nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/ dematerialisation of shares.

The said form is made available on the website of the Company in 'Investor page'. Shareholders holding shares in dematerialised form are requested to contact their respective depository participants. Shareholders holding shares in physical form are requested to submit the Form to the RTA.

**Permanent Account Number**

Members who hold shares in physical form are advised to submit their self attested PAN card copies to the Company or the RTA as the same has been made mandatory by SEBI. The PAN card copies of the transferor(s), transferee(s), surviving joint holders/ legal heirs shall be submitted to the Company while obtaining the services of transfer, transposition, transmission, issue of duplicate share certificates, etc.

## FOLIO CONSOLIDATION

Shareholders holding shares under more than one folio may write to the Company or its RTA to consolidate their folios. In case of joint holdings, even if the order of names is different, shareholders can have them transposed without payment of stamp duty by sending a letter duly signed by all the shareholders. This will facilitate safe keeping and save cost at the time of dematerialisation. The above would be subject to verification of the signature(s) of the concerned shareholders.

Email ID Registration: To support the green initiative, shareholders are requested to register their email address with their DPs or with the Company's RTA, as the case may be. Communications in relation to, Dividend Credit Intimations, Notice of AGM and Annual Report are regularly sent electronically to such shareholders who have registered their email addresses. The Company periodically sends reminder to all those shareholders who haven't registered their email address.

**Legal Proceedings**

There are certain pending cases related to disputes over title to company shares (family disputes), in which Company has been made party only as a proforma defendant / respondent. However, these cases are not material in nature.

**SEBI Complaints Redressal System (SCORES)**

SEBI vide its Circular dated March 26, 2018 issued new policy measures with respect to SEBI Complaints Redress System (SCORES). Under this system, SEBI has requested the Members to approach the Company directly at the first instance for their grievance. If the Company doesn't resolve the complaint of the shareholders within stipulated time, then they may lodge the complaint with SEBI/Stock Exchanges for further action. Further SEBI vide Circular dated August 13, 2020, has specified standard operating procedure for handling complaints by stock exchanges, accordingly the Company is now required to resolve the Complaint within a period of 30 days of receipt of the same.

## COMPLIANCE OFFICER

**Smt. Veena G Kamath**
DGM & Company Secretary
Can Fin Homes Ltd.,
Sir M N Krishna Rao Road, Basavanagudi,
Bengaluru 560004.
Phone:080-48536192, Fax:080-26565746
Email: investor.relationship@canfinhomes.com
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**Shri Ajay Kumar G Shettar**
DGM & Chief Compliance Officer
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# Independent Auditor's Report

To

The Members of

Can Fin Homes Limited

## Report on Audit of the Standalone Financial Statements

**Opinion:**

We have audited the standalone Ind AS financial statements of Can Fin Homes Limited ("the Company") which comprise of balance sheet as at March 31, 2022, the statement of profit & loss, statement of changes in equity and the cashflow statement for the year then ended, notes to Ind AS financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, profits, changes in equity and its cash flows for the year ended on that date.

**Basis of Opinion:**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter:**

Attention of the members is invited to note 47.2 to the financial statements which describes the probable impact of the COVID-19 pandemic on the Company's operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on future steps as they evolve and is highly unpredictable at this stage. Our opinion is not modified in respect of this matter

**Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Expected Credit loss allowances:**<br>Expected credit loss allowances relating to loans and advances are determined on a portfolio basis, with the use of impairment models. These models are based on historical loss experience and use a few key assumptions including probability of default, loss given default (including propensity for possession and forced sale discounts for mortgages) and valuation of recoveries. Our work therefore focused on the appropriateness of modelling methodologies adopted and the significant judgements required Refer to Note 2(i) to the financial statements accounting policy on accounting for the impairment of financial assets and Note 40(i) to the financial statements for credit risk disclosures and for Credit impairment charges and other provisions | We have reviewed the expected credit loss model developed and used by the management at the entity level. This included assessing and challenging the appropriateness of key judgements. We tested the formulae applied within the calculation files, the completeness and accuracy of key data inputs, sourced from underlying systems that are applied in the calculation. We also tested the reconciliation of loans and advances between underlying source systems and the expected credit loss models. |

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Information Technology ('IT') systems and controls:**<br>The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated.<br>We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture. | Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the IT system by verifying the reports and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included:<br>• Evaluation of the design and testing the operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting including the completeness and accuracy of data feeds, and automated calculations.<br>• Ensuring that deficiencies noticed in our verification were informed to the management for corrective action, which is already been done;<br>• Carrying out independent alternative audit procedures like substantive testing in areas where deficiencies were noticed;<br>• We have considered the report given by IT audit specialists on design and operating effectiveness of the General IT Controls and assessed its impact on the key financial accounting and reporting systems;<br>• Our audit procedures also included the consideration of the observations noted by the statutory branch auditors on the assessment of IT controls over the monitoring of loans, and reviewing the logic and assumptions used in the operating systems and other related IT system controls.<br>Performing substantive tests on sample automated controls and comparing them with the manual outputs. |

**Other Matters:**

The limited review/ audit of the financial results for the quarter and year ended March 31, 2021 was carried out by Varma & Varma, Chartered Accountants, the Statutory Auditor of the Company, who had expressed an un modified opinion, as the case may be on those financial results. Accordingly, we do not express any conclusion/ opinion, on the figures so reported in the financial statements for the year ended March 31, 2021.

**Other Information, [such as "Information Other than the Financial Statements and Auditor's Report Thereon"]:**

The Company's Board of Directors is responsible for the other information. The other information comprises the board report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for Standalone Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The reports on the audit of accounts of 160 branches, by statutory branch auditors appointed by the Company in accordance with the guidelines prescribed by Reserve Bank of India have been sent to us in terms

of section 143(8) of the Act and have been dealt in the manner considered appropriate, while preparing our report.

d) The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on that date from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B".

h) With respect to the other matters to be included in the Auditor's Report in accordance with requirement of Section 197 (16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Company is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed its pending litigations in note 36 of the financial statements which would impact its financial position.

ii) The Company did not have any long-term contracts as required under the applicable law or accounting standards, and also not entered into any derivative contracts, accordingly no provision is required to be made in respect of material foreseeable losses.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv) a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v. The dividend declared or paid during the year by the Company is in accordance with section 123 of the Act. The interim dividends declared by the Board and paid by the Company during the year is subject noting and confirmation by the members of the Company in ensuing annual general meeting.

For **B. Srinivasa Rao & Co**
Chartered Accountants
Firm Registration No. 008763S

**(CA Anand Mahendrakar)**
Partner
Membership No. 227336
UDIN: 22227336AINLYT8990

For **B. K. RAMADHYANI & CO LLP**
Chartered Accountants
Firm Registration No. 002878S/S200021

**(CA C R Deepak)**
Partner
Membership No. 215398
UDIN: 22215398AINLQV6314

Place: Bengaluru
Date: April 29, 2022

# ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF CAN FIN HOMES LIMITED.

1 a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

B. Based on the information and explanation furnished to us by the Company, it doesn't have any intangible assets during the year.

b) Based on the information and explanation furnished to us by the Company, property, plant and equipment of the Company located at the 186 branches, Centralised Processing Centres and the Head Office have been physically verified and the discrepancies noticed on such verifications is not material and the same has been adjusted in the books of account. In our opinion the frequency of verification of fixed assets of the Company is adequate.

c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in its favor) disclosed in the financial statements are held in its name.

d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year and accordingly provisions of clause 3(i)(d) of the Order is not applicable.

e) According to the information and explanation given to us by the Company, there are no proceedings initiated or are pending against it for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and accordingly provisions of clause 3(i)(e) of the Order are not applicable.

2 a) The Company did not hold any Inventories as at the year end and accordingly clause 3(ii)(a) of the Order is not applicable.

b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during any point of time of the year from banks or financial institutions on the basis of security of current assets. The quarterly returns/statements filed by the Company with such banks or financial institutions were in agreement with its books of account of the Company.

3. a) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties other than loans given in the normal course of business of the Company. Accordingly, clause 3(iii) (a) of the Order is not applicable.

b) Based on the information and explanation furnished to us by the Company it has not made any investments, provided guarantee and security given to the parties referred in section 186 of the Act. Accordingly, clause 3 (iii) (b) of the Order is not applicable.

c) Based on the information and explanation furnished to us by the Company, the repayment of principal and interest for the loan to key managerial persons are regular based on the schedule stipulated.

d) Based on the information and explanation furnished to us by the Company, there are no overdues on the loans granted to key managerial persons during the year.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

4 Based on the information and explanations given to us, the Company has not granted any loans, made any investments,

given guarantees and securities as referred in the provisions of section 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.

5 As per the Ministry of Corporate Affairs notification dated March 31, 2014, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. However, the Company has accepted deposits as applicable under the directives issued by the Reserve Bank of India and has complied with the same.

6 To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the said Order are not applicable.

7 a) According to the records of the Company, it is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, Goods and Service Tax and any other statutory dues to the appropriate authorities as of March 31, 2022. There are no undisputed dues outstanding for a period of more than six months from the date they became payable.

b) According to the records of the Company and according to the information and explanation given to us, there are no dues outstanding on account of any disputes in respect of income tax, service tax, customs duty or excise duty or goods and service tax except as detailed below:

| Name of the Statue | Nature of the dues | Amount (₹ In Lakhs) | Amount paid/adjusted out of refunds (₹ in lakhs) | Assessment year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 491.64 | 491.64 | 2003-04 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 15.61 | Nil | 2004-05 | Deputy Commissioner of Income Tax |
| Income Tax Act, 1961 | Dividend distribution tax under section 115O of Income Tax Act, 1961 | 16.44 | Nil | 2011-12 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income Tax | 36.94 | 7.39 | 2017-18 | Commissioner of Income Tax (Appeals) |

8 According to the information and explanation provided and as represented to us by the management, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the said Order is not applicable.

9 a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

b) As represented to us by the Company, the Company has not been declared as a willful defaulter by any bank or financial institution or other lender.

c) As per the information and explanations provided by the Company, all term loans were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

e) According to the information and explanation provided by the Company and as represented to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate. The Company has no subsidiaries or joint ventures at any time during the year.

f) According to the information and explanation provided by the Company and as represented to us, the Company did not hold any securities in its associate. It did not have any subsidiaries or joint ventures during the year. Accordingly, the provisions of clause 3(ix)(f) of the Order are not applicable.

10 a) According to the information and explanation provided by the Company and as represented to us, there were no moneys raised by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

b) According to the information and explanation provided by the Company and as represented to us, there were no preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the Order are not applicable.

11 a) According to the information and explanation provided by the Company and as represented to us, the following frauds on it have been noticed or reported during the year:

| Nature of fraud | Amount involved (to the extent quantified by the Company) (₹ in lakhs) | Remarks |
|---|---|---|
| Loans granted on the strength of improper income documents of borrower and/ or guarantor | 393.04 | Further enquiry in respect of other matters is under progress. However, the Company has made 100% provision for the same. |
| Encumbered property sold by a seller to bank's borrower and financed by the Company | 26.77 | Customer's case against seller pending before City Civil Court |
| Moneys reportedly paid by direct sales agents appointed by the Company to its employees and/or their relatives | 10.50 | Matter under investigation in terms of the employee service rules of the Company |

b) We have not filed any report under sub-section (12) of section 143 of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, since frauds as referred to in para 11(a) above were identified/ detected through the Company's vigil/whistle blower mechanism or by management and is being dealt with by them.

c) We have considered whistle-blower complaints received during the year by the company and the report received in respect of investigation conducted by it.

12 In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable.

13 In our opinion and according to the information and explanation given to us and as represented to us by management, all transactions with the related parties are in compliance with section 177 and 188 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

14 a) According to the information and explanation given to us and as represented to us by the management, the Company has an internal audit system commensurate with the size and nature of its business. However, there are open comments of the internal auditors which need to be acted upon or remediated by management, as at year end

b) The reports of the Internal Auditors for the year under audit were considered by us.

15 As represented to us by the management and according to the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.

16 a) According to the information and explanation given, the Company is required to be registered under section 29A of the National Housing Bank Act, 1987 and has obtained such registration.

b) According to the information and explanation given, the Company has conducted its housing finance activities with a valid Certificate of Registration (CoR) from the National Housing Bank of India (NHB). In terms of report dated June 17, 2020 of the Reserve Bank of India (RBI), existing HFCs holding CoR issued by NHB need not approach RBI for fresh CoR.

c) According to the information and explanation given, the Company is not a core investment company (CIC) as defined in the regulations made by the RBI. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

d) According to the information and explanation given, the Group has no CIC as part of the Group. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.

17 The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18 M/s Varma and Varma, Chartered Accountants though appointed by the Company at the annual general meeting held on June 28, 2017 for 5 years, resigned during the year in the wake of the guidelines of RBI for appointment of statutory auditors of non-banking finance companies dated April 27, 2021. To the best of our knowledge, the said auditors had not raised any issues, objections or concerns on the Company or its financial statements

19 According to the information and explanation furnished and as represented to us by the Company and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company will be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20 According to the information and explanation furnished and as represented to us by the Company in respect of other than ongoing projects, the Company has no unspent amount to be transferred to a Fund specified in Schedule VII to the Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

21 The Company doesn't have any subsidiaries and consolidated financial statements is not applicable to the Company. Accordingly, the provisions of clause 3(xx) of the said Order are not applicable.

For **B. Srinivasa Rao & Co**
Chartered Accountants
Firm Registration No. 008763S

**(CA Anand Mahendrakar)**
Partner
Membership No. 227336
UDIN: 22227336AINLYT8990

For **B. K. RAMADHYANI & CO LLP**
Chartered Accountants
Firm Registration No. 002878S/S200021

**(CA C R Deepak)**
Partner
Membership No. 215398
UDIN: 22215398AINLQV6314

Place: Bengaluru
Date: April 29, 2022

# ANNEXURE-B REFERRED TO IN PARAGRAPH 2 (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS CAN FIN HOMES LIMITED.

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of Can Fin Homes Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

## Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion:

In our opinion, the Company, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively in all material respects as at March 31, 2022, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **B. Srinivasa Rao & Co**
Chartered Accountants
Firm Registration No. 008763S

**(CA Anand Mahendrakar)**
Partner
Membership No. 227336
UDIN: 22227336AINLYT8990

For **B. K. RAMADHYANI & CO LLP**
Chartered Accountants
Firm Registration No. 002878S/S200021

**(CA C R Deepak)**
Partner
Membership No. 215398
UDIN: 22215398AINLQV6314

Place: Bengaluru
Date: April 29, 2022

# Balance Sheet As at March 31, 2022

(₹ in Lakhs)

| Sl. No. | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| | ASSETS | | | |
| I | **Financial Assets** | | | |
| | (a) Cash and Cash equivalents | 3(a) | 269.88 | 79.25 |
| | (b) Bank Balances other than (a) above | 3(b) | 32,138.08 | 2,075.30 |
| | (c) Derivative Financial Instruments | | - | - |
| | (d) Receivables | 4 | | |
| | (i) Trade Receivables | | 112.77 | 70.80 |
| | (ii) Other Receivables | | | - |
| | e) Loans | 5 | 2,637,806.41 | 2,189,148.23 |
| | f) Investments | 6 | 112,597.47 | 4,960.39 |
| | g) Other Financial Assets | 7 | 594.77 | 369.66 |
| II | **Non-Financial Assets** | | | |
| | (a) Current Tax Assets ( Net) | 8.1 | 2,299.99 | 1,830.19 |
| | (b) Deferred Tax Assets ( Net) | 8.2 | 4,772.62 | 4,545.46 |
| | (c) Property, Plant and Equipment | 9 | 3,461.99 | 3,782.44 |
| | (d)Other non-financial assets | 10 | 380.61 | 512.75 |
| | TOTAL | | 2,794,434.59 | **2,207,374.47** |
| | LIABILITIES AND EQUITY | | | |
| | **LIABILITIES** | | | |
| I | **Financial Liabilities** | | | |
| | (a) Derivative Financial Instruments | | | - |
| | (b) Payables | 11 | | |
| | (A) Trade Payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 555.15 | 432.58 |
| | (B) Other Payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | | - |
| | (c) Debt Securities | 12 | 607,201.73 | 489,150.24 |
| | (d) Borrowings ( Other than debt securities) | 13 | 1,798,183.87 | 1,385,621.47 |
| | (e) Deposits | 14 | 49,107.87 | 44,247.16 |
| | (f) Subordinated Liabilities | 15 | 10,274.28 | 10,271.46 |
| | (g) Other Financial Liabilities | 16 | 17,782.36 | 5,078.10 |
| II | **Non-Financial Liabilities** | | | |
| | (a) Current tax liabilities ( Net) | | - | - |
| | (b) Provisions | 17 | 2,546.66 | 10,225.34 |
| | (c) Deferred tax liabilities ( Net) | | | - |
| | (d) Other non-financial liabilities | 18 | 2,120.49 | 1,367.35 |
| III | **EQUITY** | | | |
| | (a) Equity Share capital | 19 | 2,663.31 | 2,663.31 |
| | (b) Other Equity | 20 | 303,998.87 | 258,317.46 |
| | TOTAL | | 2,794,434.59 | **2,207,374.47** |

Significant Accounting Policies 1 & 2
See accompanying notes forming part of the financial statements 3 - 49

As per our report of even date attached

For and on behalf of the Board of Directors

**For B. K Ramadhyani & Co LLP**
Chartered Accountants
FRN:- 002878S/S200021

**For B Srinivasa Rao & Co.,**
Chartered Accountants
FRN:- 008763S

**L V Prabhakar**
Chairman
DIN: 08110715

**Girish Kousgi**
Managing Director & CEO
DIN: 08524205

**C R Deepak**
Partner
Membership No: 215398

**Anand M R**
Partner
Membership No: 227336

**Naganathan Ganesan**
Director
DIN: 00423686

**Prashanth Joishy**
Chief Financial Officer

**Veena G Kamath**
Company Secretary

Place: Bengaluru
Date: 29.04.2022

# Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs)

| Sl. No. | Particulars | Note No. | Year ending March 31, 2022 | Year ending March 31, 2021 |
|---|---|---|---|---|
| | **Revenue from Operations** | | | |
| | i) Interest Income | 21 | 196,966.56 | 200,636.71 |
| | ii) Fees and Commission Income | 22 | 1,816.65 | 1,177.27 |
| I | **Total Revenue from Operations** | | **198,783.21** | **201,813.98** |
| II | Other Income | 23 | 67.51 | 29.13 |
| III | **Total Income (I+II)** | | **198,850.72** | **201,843.11** |
| | **Expenses** | | | |
| | i) Finance Costs | 24 | 115,350.59 | 120,832.66 |
| | ii) Fees and Commission Expense | 25 | 2,521.97 | 1,199.05 |
| | iii) Impairment on financial instruments | 26 | 4,694.22 | 6,853.17 |
| | iv) Employee Benefit Expenses | 27 | 7,680.97 | 6,998.42 |
| | v) Depreciation, Amortisation and Impairment | 28 | 980.58 | 957.27 |
| | vi) Other expenses | 29 | 4,116.60 | 3,244.52 |
| IV | **Total Expenses** | | **135,344.93** | **140,085.09** |
| **V** | **Profit before exceptional items and tax** | | 63,505.79 | 61,758.02 |
| VI | Exceptional items | | - | - |
| **VII** | **Profit before tax** | | **63,505.79** | **61,758.02** |
| VIII | Tax Expense | | | |
| | a Current Tax | | 17,039.02 | 17,163.72 |
| | b Tax expense of earlier years | | (446.20) | 143.50 |
| | c Deferred Tax | | (197.54) | (1,155.23) |
| **IX** | **Profit for the period from continuing operations** | | **47,110.51** | **45,606.03** |
| X | Profit from discontinued operations | | - | - |
| XI | Tax expense of discontinued operations | | - | - |
| XII | Profit from discontinued operations (after tax) | | - | - |
| XIII | **Profit for the period** | | **47,110.51** | **45,606.03** |
| **XIV** | **Other Comprehensive income** | 39 | | |
| | A. Items that will not be reclassified to profit or loss | | | |
| | (i) Actuarial Gain/(loss) | | (117.72) | (3.92) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | 29.63 | 0.99 |
| | B. Items that will be reclassified to profit or loss | | | |
| | (i) Items that will be reclassified to profit or loss | | | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | | - |
| | **Other Comprehensive income** | | **(88.09)** | **(2.93)** |
| XV | **Total Comprehensive Income for the year** | | **47,022.42** | **45,603.10** |
| **XVI** | **Earnings per equity share (for continuing and discontinued operations)** | 38 | | |
| | Basic (₹) | | 35.38 | 34.25 |
| | Diluted (₹) | | 35.38 | 34.25 |

Significant Accounting Policies 1 & 2
See accompanying notes forming part of the financial statements 3 - 49

As per our report of even date attached

For and on behalf of the Board of Directors

**For B. K Ramadhyani & Co LLP**
Chartered Accountants
FRN:- 002878S/S200021

**For B Srinivasa Rao & Co.,**
Chartered Accountants
FRN:- 008763S

**L V Prabhakar**
Chairman
DIN: 08110715

**Girish Kousgi**
Managing Director & CEO
DIN: 08524205

**C R Deepak**
Partner
Membership No: 215398

**Anand M R**
Partner
Membership No: 227336

**Naganathan Ganesan**
Director
DIN: 00423686

**Prashanth Joishy**
Chief Financial Officer

**Veena G Kamath**
Company Secretary

Place: Bengaluru
Date: 29.04.2022

# Statement of Changes in Equity for the year ended March 31, 2022

## A Share Capital

### (1) Balance as at 31 March 2022

(₹ in Lakhs)

| Balance at the 1st April 2021 | Changes in Equity Share Capital due to prior period | Restated balance at the beginning of the current reporting period | Changes in Equity share capital during the current year | Balance as at 31 March 2022 |
|---|---|---|---|---|
| 2,663.31 | - | - | - | 2,663.31 |

### (2) Balance as at 31 March 2021

(₹ in Lakhs)

| Balance as at 1st April 2020 | Changes in Equity Share Capital due to prior period | Restated balance at the beginning of the current reporting period | Changes in Equity share capital during the current year | Balance as at 31 March 2021 |
|---|---|---|---|---|
| 2,663.31 | - | - | - | 2,663.31 |

## B. Other Equity

### Current Reporting Period

(₹ in Lakhs)

| Particulars | Other Equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share application money pending allotment | Reserves and Surplus | | | | | Total |
| | | Securities Premium | Statutory Reserves | General Reserve | Special Reserve (Including Tax Effect) | Retained Earnings (refer note below) | |
| Balance as at April 01, 2021 | - | 27,297.54 | 41,144.17 | 72,091.97 | 92,013.08 | 25,770.70 | 258,317.46 |
| Total Comprehensive income for the current year | - | - | - | - | - | 47,022.42 | 47,022.42 |
| Changes in accounting policy/ prior period error | - | - | - | - | - | - | - |
| Dividends | - | - | | | | (4,660.39) | (4,660.39) |
| Transfer to /from retained earnings | - | - | 9,404.48 | 9,404.48 | 16,508.26 | (31,997.85) | 3,319.38 |
| Any other change | - | - | - | - | - | - | - |
| **Balance as at March 31, 2022** | **-** | **27,297.54** | **50,548.65** | **81,496.45** | **108,521.34** | **36,134.88** | **303,998.87** |

# Statement of Changes in Equity for the year ended March 31, 2022

(₹ in Lakhs)

| Particulars | Share application money pending allotment | Securities Premium | Statutory Reserves | General Reserve | Special Reserve (Including Tax Effect) | Retained Earnings (refer note below) | Total |
|---|---|---|---|---|---|---|---|
| Balance as at April 01, 2020 | - | 27,297.54 | 32,023.55 | 62,971.35 | 76,924.55 | 13,126.55 | 212,343.54 |
| Total Comprehensive Income for the previous year | | | | | | 45,603.10 | 45,603.10 |
| Remeasurement of defined benefit plans | | | | | | | - |
| Dividend | - | - | - | - | - | (2,663.08) | (2,663.08) |
| Transfer to /from retained earnings | - | - | 9,120.62 | 9,120.62 | 15,088.53 | (30,295.86) | 3,033.91 |
| Others | - | - | - | - | - | - | - |
| **Balance as at March 31, 2021** | **-** | **27,297.54** | **41,144.17** | **72,091.97** | **92,013.08** | **25,770.70** | **258,317.46** |

Note: Loss (net off tax) from remeasurement of defined benefit plan of ₹ 88.09 lakhs for the current year (Previous Year ₹ 2.94 lakhs) recognised as a part of retained earnings.

See accompanying notes forming part of the financial statements

As per our report of even date attached

**For B. K Ramadhyani & Co LLP**
Chartered Accountants
FRN:- 002878S/S200021

**C R Deepak**
Partner
Membership No: 215398

**For B Srinivasa Rao & Co.,**
Chartered Accountants
FRN:- 008763S

**Anand M R**
Partner
Membership No: 227336

Place: Bengaluru
Date: 29.04.2022

For and on behalf of the Board of Directors

**L V Prabhakar**
Chairman
DIN: 08110715

**Girish Kousgi**
Managing Director & CEO
DIN: 08524205

**Naganathan Ganesan**
Director
DIN: 00423686

**Prashanth Joishy**
Chief Financial Officer

**Veena G Kamath**
Company Secretary

# Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

| Sl. No. | Particulars | Year ending March 31, 2022 | Year ending March 31, 2021 |
|---|---|---|---|
| A) | **Cash Flow from Operating Activities** | | |
| | Net Profit Before Tax and Exceptional Items | 63,505.79 | 61,758.02 |
| | **Add:** | | |
| | **i) Adjustment For:** | | |
| | Depreciation and Amortization | 980.58 | 957.27 |
| | Loss/(profit) on Sale of Assets [net] | 0.44 | 5.94 |
| | Interest on lease liability | 304.57 | 296.48 |
| | Winding of leases liability and right of use assets | (91.47) | (49.20) |
| | Interest expense accrued but not paid | 10,138.46 | 8,419.34 |
| | Interest income accrued but not received | (229.18) | (42.20) |
| | Impairment of financial instruments | 4,694.22 | 6,853.17 |
| | Fair Value adjustments on Debentures | 33.73 | 63.39 |
| | Fair Value adjustments on Investments | (9.67) | 3.32 |
| | **Operating Profit before Working Capital Changes** | **79,327.47** | **78,265.53** |
| | **ii) Adjustment For Working Capital:** | | |
| | (Increase)/Decrease in Trade Receivables | (41.97) | (45.25) |
| | Increase/(Decrease) in Trade Payables | 122.57 | 8.63 |
| | (Increase)/Decrease in Other Financial Assets | 4.07 | (24.83) |
| | (Increase)/Decrease in Loans | (453,352.40) | (143,432.15) |
| | Increase/(Decrease) in Provisions | (7,796.40) | 3,598.39 |
| | ( Increase)/Decrease in Other non-financial assets | 132.14 | (308.98) |
| | Increase/(Decrease) in Other financial liabilities | 2,964.04 | (9,264.48) |
| | Increase/(Decrease) in Other non-financial liabilities | 753.15 | (221.23) |
| | | **(457,214.80)** | **(149,689.90)** |
| | **Cash Generated from Operations** | **(377,887.33)** | **(71,424.37)** |
| | Less: Income Tax Paid | 13,743.24 | 13,699.57 |
| | **Net Cash Flow from Operating Activities** | **(391,630.57)** | **(85,123.94)** |
| B) | **Cash Flow from Investing Activities** | | |
| | Purchase of Property, Plant and Equipment | (348.27) | (234.24) |
| | Sale of Property, Plant and Equipment | 4.89 | 4.32 |
| | Investment in Government Securities | (107,627.41) | (2,533.21) |
| | (Increase)/Decrease in Other Bank balances | (30,062.78) | (63.23) |
| | **Net Cash Flow from Investing Activities** | **(138,033.57)** | **(2,826.36)** |
| C) | **Cash Flow from Financing Activities** | | |
| | Short term borrowings (net) | 106,471.24 | 78,049.33 |
| | Long Term Borrowings taken | 640,500.00 | 387,000.00 |
| | Long Term Borrowings repaid | (334,408.84) | (532,517.60) |
| | Proceeds from deposits accepted (net) | 4,860.71 | 13,739.11 |
| | Debt Securities ( net) | 118,020.58 | 108,111.74 |
| | Payment of lease liability | (928.53) | (921.88) |
| | Dividend | (4,660.39) | (2,663.08) |
| | **Net Cash Flow from Financing Activities** | **529,854.77** | **50,797.62** |
| | **Increase/ (Decrease) in Cash & Cash Equivalents** | 190.63 | (37,152.68) |
| | Cash & Cash Equivalents at the Beginning of the Year | 79.25 | 37,231.93 |
| | **Cash & Cash Equivalents at the end of the Year [refer note 3(a)]** | **269.88** | **79.25** |

# Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

| Sl. No. | Particulars | Year ending March 31, 2022 | Year ending March 31, 2021 |
|---|---|---|---|
| | **Other Notes:** | | |
| | Cash and Cash equivalents include: | | |
| | Cash on hand | 33.29 | 72.75 |
| | Cheques on hand | 5.05 | 5.35 |
| | Balance with Banks | | |
| | - Current Accounts | 231.54 | 1.15 |
| | - Fixed Deposits | | - |
| | **Total** | **269.88** | **79.25** |

Note : During the year company has spent ₹ 825.51 (PY ₹ 1,107.58 lakhs) on eligible corporate social responsibility activities (refer Note 48).

| | |
|---|---|
| Significant Accounting Policies | 1 & 2 |
| See accompanying notes forming part of the financial statements | 3 - 49 |

For and on behalf of the Board of Directors

**L V Prabhakar**
Chairman
DIN: 08110715

**Girish Kousgi**
Managing Director & CEO
DIN: 08524205

**Naganathan Ganesan**
Director
DIN: 00423686

**Prashanth Joishy**
Chief Financial Officer

**Veena G Kamath**
Company Secretary

We have examined the above Cash Flow Statement of Can Fin Homes Limited for the period ended March 31, 2022. The statement has been prepared by the Company in accordance with the requirements of the listing agreements with the respective stock exchange and is based on and in agreement with the corresponding Profit and Loss account and Balance sheet of the Company.

As per our report of even date attached

**For B. K Ramadhyani & Co LLP**
Chartered Accountants
FRN:- 002878S/S200021

**For B Srinivasa Rao & Co.,**
Chartered Accountants
FRN:- 008763S

**C R Deepak**
Partner
Membership No: 215398

**Anand M R**
Partner
Membership No: 227336

Place: Bengaluru
Date: 29.04.2022

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## 1. Company Overview

Can Fin Homes Ltd (The Company)., set up under the sponsorship of Canara Bank, was incorporated in the year 1987, The Company is a housing finance institution approved by National Housing Bank (NHB), the apex authority of housing in the country. It is a listed company and its shares are traded in all the major stock exchanges in the country. The company has its head office in Bengaluru, Karnataka. The financial statements of the Company has been approved by the Board of Directors at their meeting held on April 29, 2022.

## 2. Summary of Significant Accounting Policies:

### a) Statement of compliance:

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable read with Section 133 of the Companies act, 2013 (the "Act") and guidelines issued by National Housing Bank.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

ii. Defined benefit and other long-term employee benefits

### c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, and disclosure of Contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are as below:

1. Measurement of Expected Credit Loss
2. Measurement of useful life of Property, Plant & Equipment
3. Estimation of Taxes on Income
4. Estimation of Employee Benefit Expense"

### d) Financial instruments

#### Initial recognition and measurement:

All financial instruments are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Loans, borrowings and payables are recognised net of directly attributable transaction costs. Subsequently, financial instruments are measured according to the category in which they are classified.

#### Subsequent measurement:

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non- derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL

# Notes forming part of Financial Statements

for the year ended March 31, 2022

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

a) Non-derivative financial assets

(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets. Cash and cash equivalents are highly liquid instruments that are readily convertible into cash and which are subject to an insignificant risk of changes in value and comprise cash on hand and in banks and demand deposits with banks which can be withdrawn at any time without prior notice or penalty on the principal.

(ii) Debt instruments at FVTOCI

debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets and

(b) the asset's contractual cash flow represents SPPI

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain/(loss) in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the effective interest rate (EIR) model.

(iii) Debt Instruments at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**e) Statement of Cash Flows:**

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

Cash flows are reported using the indirect method whereby profit or loss is adjusted for the effects of the transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**f) Property, plant and equipment**

i) Recognition and measurement:

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include directly attributable expenditure incurred up to the date the asset is ready for its intended use.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work- in-progress respectively. Depreciation is not recorded on capital work-in-progress until installation is complete and the asset is ready for its intended use.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

ii) Depreciation:

Depreciation on tangible assets is provided on the Written Down Value method over the estimated useful life of the assets as prescribed in Schedule II of the Companies Act, 2013, except in case of servers, where the useful life is estimated to be 3 years considering its nature, estimated usage, operating conditions, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation methods, useful life and residual values are reviewed atleast at each year end. Changes in expected useful life are treated as change in accounting estimate.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (major components) of property, plant and equipment.

**g) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairments. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors.

The estimated useful lives of intangible assets for the current and comparative period are as follows:

| Asset | Estimated useful life |
|---|---|
| Software | 5 Years |

**h) Lease**

The Company recognises assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. The Company measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the Company recognises depreciation on the right-of-use asset and interest on the lease liability. The depreciation would usually be on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the Company is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease."

**i) Impairment**

i) Financial assets

Ind AS 109 establishes a credit risk impairment model based on expected losses. This model will apply to loans and debt instruments measured at amortised cost or at fair value through shareholders' equity (on a separate line), to loan commitments and financial guarantees not recognised at fair value, as well as to lease receivables. The impairment model under

# Notes forming part of Financial Statements

for the year ended March 31, 2022

Ind AS 109 requires accounting for 12-month expected credit losses (that result from the risk of default in the next 12 months) on the financial instruments issued or acquired, as of the date of initial recognition on the balance sheet. Expected credit losses at maturity (that result from the risk of default over the life of the financial instrument) will be recognised if the credit risk has increased significantly since initial recognition (Stage 2) or have become credit impaired (Stage 3).

Under the standard, there is also a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. Based on past experience, the company has developed the ECL model rebutting this presumption and uses 30 days past due as the trigger for confirming a significant increase in credit risk. The structure of the ECL model developed by the company is :

| Stage | Assets |
|---|---|
| 1 | Standard Assets/SMA 0* assets : Over due for 30 days |
| 2 | SMA 1 and SMA 2 Assets : Over due morethan 30 days to 90 days |
| 3 | Sub-standard, Doubtful and Loss Assets (all NPAs) – Overdue for morethan 90 days |

*SMA- Special Mention Accounts.

The Company assesses periodically and at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment allowances represent management's best estimate of the losses incurred within the loan portfolios at the balance sheet date. They are calculated on a collective basis for portfolios of loans of a similar nature and on an individual basis for significant loans. The calculation of both collective and specific impairment allowances is inherently judgmental. Collective impairment allowances are calculated using models which approximate the impact of current economic and credit conditions on large portfolios of loans. The inputs to these models are based on historical loss experience with judgement applied to determine the assumptions (for example the value of collateral) used to calculate impairment. The amount of provision for loan losses is calculated by multiplying the exposure at default (EAD), Probability of Default (PD) and Loss Given Default (LGD).

EAD is the amount of outstanding in the account and the interest accrued. PD has been arrived at on the basis of the average of defaults over the past four years in the category to which the asset belongs. LGD is the amount of default expected to occur after considering the value of the security offered as collateral.

Being a housing finance company, the company has to follow the guidelines given by the National Housing Bank (NHB) on Prudential Norms on Asset Classification and provisioning requirement. The Prudential norms prescribed by NHB do not consider the value of security for standard and sub-standard assets. The company provides for impairment of financial assets on the basis of the Expected Credit Loss Model or the Prudential norms of NHB whichever is higher.

ii) Non-financial assets

The Company assesses at each Balance sheet date whether there is any objective evidence that a non-financial asset or a group of non-financial assets maybe impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the statement of profit and loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

**j) Employee Benefits**

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following employee defined contribution plans:

i) Employee State Insurance

The Company's contribution to state plans namely Employee's State Insurance Scheme is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

ii) Employee Pension Scheme

The Company's contribution to state plans namely Employee's Pension Scheme is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

iii) Employee Provident Fund.

Liability in respect of contribution to Employee Provident fund is estimated on the basis of valuation in a manner similar to gratuity liability and is recognised in the balance sheet net of the fair value of the plan assets.

iv) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days of last drawn salary for every completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds established as trusts and accounts for the liability for Gratuity benefits payable in the future based on actuarial valuation.

Actuarial gains or losses are recognized in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in statement of profit and loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re-measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to statement of profit and loss in subsequent periods.

v) Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

vi) Leave Travel Concessions:

All confirmed employees are entitled to leave travel concession once in two years, the liability in this respect is recognised in the year the related service is rendered at the undiscounted amount of the benefit expected to be paid in exchange for that service.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**k) Revenue recognition**

Revenue is measured at fair value of consideration received or receivable. Revenues are recognised when collectability of the resulting receivables is reasonably assured.

i) Interest

Interest income and expense are recognised in the statement of profit or loss using the effective interest (EIR) method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

Fees that are integral part of EIR are recognised as interest income.

ii) Fees and Commission

Fees and commission income include fees other than those that are an integral part of EIR. The company recognises such fee and commission income in accordance with terms of the relevant contracts / agreements with the customers.

iii) Insurance Commission

Commission on sale of insurance policies are recognised on an accrual basis in accordance with the agreed rates with the Insurer.

iv) Income from Investments

Interest Income on Investments in government securities is recognized as it accrues in the statement of profit and loss, using the effective interest method and interest on other investments is recognised on accrual basis.

v) Dividend Income

Dividend income is recognized in the statement of profit and loss on the date that the Company's right to receive payment is established.

vi) Other income

Other Income represents income earned from the activities incidental to the business of the Company and is recognised when the right to receive the income is established as per the terms of the contracts.

**l) Finance expense**

Finance expenses consist of interest expense on loans and borrowings. Borrowing costs are recognized in the statement of profit and loss using the effective interest method.

**m) Foreign Currency**

i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Transactions and Translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of transactions are recognised in the statement of profit and loss.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign

# Notes forming part of Financial Statements

for the year ended March 31, 2022

exchange derivative instruments, which are accounted at fair value through profit or loss.

**n) Income tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income in which case is also recognised outside the statement of profit and loss.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred taxes

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry forwards and tax credits.

Deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**o) Earnings per share (EPS)**

Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**p) Borrowing Costs**

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost. Interest expenses are accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable. The effective interest method is a method of calculating the amortised cost of a financial liability and allocating interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**q) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. Contingent assets are not recognized but are disclosed in the notes to financial statements when economic inflow is probable.

**r) Onerous contracts**

Provision for onerous contracts i.e., contracts where the expected unavoidable costs of meeting the obligations under the contract exceed benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**s) Segment**

The Company is engaged mainly in the business of Housing finance. The Company is also involved in the corporate insurance agency business activity, however it is not a separate reportable segment as per the Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013. This in the context of Ind AS 108 – operating segments reporting are considered to constitute one reportable segment.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 3 (a) Cash and Cash Equivalents

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Cash on hand | 33.29 | 72.75 |
| (ii) | Balances with Banks | 231.13 | 0.74 |
| (iii) | Cheques, drafts on hand | 5.05 | 5.35 |
| (iv) | Others | 0.41 | 0.41 |
| | **Total** | **269.88** | **79.25** |

## (b) Balances with Banks other than in (a) above

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Unclaimed Dividend (earmarked) | 220.53 | 185.52 |
| (ii) | Share Application Money Pending Allotment (earmarked) | - | 0.11 |
| (iii) | Balances with Bank held for SLR [refer Note 3.1 below] | 1,917.55 | 1,889.67 |
| (iv) | Balances with bank held as security for overdraft facility [refer Note 3.2 below] | 30,000.00 | - |
| | **Total** | **32,138.08** | **2,075.30** |

3.1 The above deposits are held to comply with the Statutory Liquidity Assets required to be maintained as per NHB /Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Direction, 2021. These carry a floating charge created in favour of trustees of depositors

3.2 Deposit held with bank for overdraft facility.

## Note 4 Trade Receivables

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Unsecured (considered good)- Insurance commission receivable (refer note 44) | 112.77 | 70.80 |
| (ii) | Receivables Secured (considered good) | - | - |
| (iii) | Receivables which have significant increase in Credit Risk | - | - |
| (iv) | Receivables - credit impaired | - | - |
| | **Total** | **112.77** | **70.80** |
| | Less: Allowance for impairment loss | | - |
| | **Net Total** | **112.77** | **70.80** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 4 Trade Receivables (Contd.)

(₹ in Lakhs)

| Sl. No. | Particulars | Outstanding for following periods from the date of the transaction - as on 31st March 2022 | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) | Undisputed trade receivables considered good | - | - | - | - | - | - |
| (ii) | Undisputed trade receivables which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) | Undisputed trade receivables credit impaired | - | - | - | - | - | - |
| (iv) | Disputed trade receivables considered good | - | - | - | - | - | - |
| (v) | Disputed trade receivables which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) | Disputed trade receivables credit impaired | - | - | - | - | - | - |
| (vii) | Unbilled reveunue | 112.77 | - | - | - | - | 112.77 |

(₹ in Lakhs)

| Sl. No. | Particulars | Outstanding for following periods from the date of the transaction - as on 31st March 2021 | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 Year | 1-2 Years | 2-3 Years | More than 3 years | |
| (i) | Undisputed trade receivables considered good | - | - | - | - | - | - |
| (ii) | Undisputed trade receivables which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) | Undisputed trade receivables credit impaired | - | - | - | - | - | - |
| (iv) | Disputed trade receivables considered good | - | - | - | - | - | - |
| (v) | Disputed trade receivables which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) | Disputed trade receivables credit impaired | - | - | - | - | - | - |
| (vii) | Unbilled reveunue | 70.80 | - | - | - | - | 70.80 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 5 Loans

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Amortised Cost | At Fair Value | | | Sub total | Total |
| | | | Through OCI | At FVTPL | Designated at FVTPL | | |
| A | Loans | | | | | | |
| (i) | Term Loans (refer note 5.1 below) | 2,664,845.99 | - | - | - | - | 2,664,845.99 |
| (ii) | Others | - | - | - | - | - | - |
| | Total | 2,664,845.99 | - | - | - | - | 2,664,845.99 |
| | Less: Impairment Loss Allowance (refer note 5.4 and 5.6 below) | 27,039.58 | - | - | - | - | 27,039.58 |
| | Total | 2,637,806.41 | - | - | - | - | 2,637,806.41 |
| B. | | | | | | | - |
| (i) | Secured by tangible assets (refer note 5.2 below) | 2,664,301.70 | - | - | - | - | 2,664,301.70 |
| (ii) | Secured by intangible assets | - | - | - | - | - | - |
| (iii) | Covered by Bank/Government Guarantees | - | - | - | - | - | - |
| (iv) | Unsecured | 544.30 | - | - | - | - | 544.30 |
| | Total | 2,664,845.99 | - | - | - | - | 2,664,845.99 |
| | Less: Impairment Loss Allowance (refer note 5.4 and 5.6 ) | 27,039.58 | - | - | - | - | 27,039.58 |
| | Total | 2,637,806.41 | - | - | - | - | 2,637,806.41 |
| C. | | | | | | | |
| | Loans in India | | - | - | - | - | - |
| (i) | Public Sector | - | - | - | - | - | - |
| (ii) | Others: | | | | | | - |
| | a) Individual | 2,664,805.15 | | | | | 2,664,805.15 |
| | b) Corporate | 40.84 | | | | | 40.84 |
| | Total | 2,664,845.99 | - | - | - | - | 2,664,845.99 |
| | Less: Impairment Loss Allowance (refer note 5.4 below) | 27,039.58 | - | - | - | - | 27,039.58 |
| | Total | 2,637,806.41 | - | - | - | - | 2,637,806.41 |
| D. | Loans outside India | - | - | - | - | - | - |
| | Less: Impairment Loss Allowance | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 5 Loans (Contd.)

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|---|
| | | Amortised Cost | At Fair Value | | | Sub total | Total |
| | | | Through OCI | At FVTPL | Designated at FVTPL | | |
| A | Loans | | | | | | |
| (i) | Term Loans (refer note 5.1 below) | 2,204,509.55 | - | - | - | - | 2,204,509.55 |
| (ii) | Others | - | - | - | - | - | - |
| | **Total** | **2,204,509.55** | **-** | **-** | **-** | **-** | **2,204,509.55** |
| | Less: Impairment Loss Allowance (refer note 5.4 and 5.6 below) | 15,361.32 | - | - | - | - | 15,361.32 |
| | **Total** | **2,189,148.23** | **-** | **-** | **-** | **-** | **2,189,148.23** |
| B. | | | | | | | - |
| (i) | Secured by tangible assets (refer note 5.2 below) | 2,204,080.02 | - | - | - | - | 2,204,080.02 |
| (ii) | Secured by intangible assets | - | - | - | - | - | - |
| (iii) | Covered by Bank/Government Guarantees | - | - | - | - | - | - |
| (iv) | Unsecured | 429.53 | - | - | - | - | 429.53 |
| | **Total** | **2,204,509.55** | **-** | **-** | **-** | **-** | **2,204,509.55** |
| | Less: Impairment Loss Allowance (refer note 5.4 and 5.6 below) | 15,361.32 | - | - | - | - | 15,361.32 |
| | **Total** | **2,189,148.23** | **-** | **-** | **-** | **-** | **2,189,148.23** |
| C. | | | | | | | |
| | Loans in India | | - | - | - | - | - |
| (i) | Public Sector | - | - | - | - | - | - |
| (ii) | Others: | | | | | | |
| | a) Individual | 2,204,132.05 | | | | | 2,204,132.05 |
| | b) Corporate | 377.50 | | | | | 377.50 |
| | **Total** | **2,204,509.55** | **-** | **-** | **-** | **-** | **2,204,509.55** |
| | Less: Impairment Loss Allowance (refer note 5.4 and 5.6 below) | 15,361.32 | - | - | - | - | 15,361.32 |
| | **Total** | **2,189,148.23** | **-** | **-** | **-** | **-** | **2,189,148.23** |
| D. | Loans outside India | - | - | - | - | - | - |
| | Less: Impairment Loss Allowance | - | - | - | - | - | - |
| | **Total** | **-** | **-** | **-** | **-** | **-** | **-** |

**Note 5.1** Loans outstanding is net of processing fee which is recognised as interest income using EIR method.

**Note 5.2 Loans and instalments due from borrowers are secured, partly secured or otherwise by:**

(a) Registered mortgage of property and/or
(b) Other securities, assignment of life insurance policies and/or
(c) Personal Guarantees and/or
(d) Undertaking to create a security or perfection security
(e) Vehicles Loan given to employees are secured by hypothecation of vehicles

**Note 5.3**

The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving market value of ₹ 2,963.79 lakhs (Previous Year ₹ 2,734.79 lakhs), which are part of NPA portfolio aggregating to ₹ 2,134.75 lakhs (Previous Year ₹ 1,738.04 lakhs) for which necessary provisions have already been made. These assets are accounted as and when they are realised.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 5.4 Break up of Loans & Advances and Provisions thereon**

(₹ in Lakhs)

| Particulars | Housing | | Non - Housing | |
|---|---|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| **Standard Assets:** | | | | |
| a) Total Outstanding Amount | 2,149,288.06 | 1,811,807.52 | 504,774.68 | 378,485.38 |
| b) Provision made | 5,373.42 | 4,531.41 | 4,409.72 | 3,305.89 |
| **Sub-Standard Assets:** | | | | |
| a) Total Outstanding Amount | 953.55 | 5,295.84 | 276.80 | 1,655.75 |
| b) Provision made | 149.96 | 811.50 | 43.89 | 272.24 |
| **Doubtful Assets - Category I:** | | | | |
| a) Total Outstanding Amount | 3,208.23 | 3,447.45 | 850.77 | 2,218.35 |
| b) Provision made | 915.66 | 894.89 | 253.55 | 589.79 |
| **Doubtful Assets - Category II:** | | | | |
| a) Total Outstanding Amount | 4,648.71 | 4,056.71 | 2,634.07 | 1,707.64 |
| b) Provision made | 2,000.20 | 1,663.14 | 1,137.66 | 717.02 |
| **Doubtful Assets - Category III:** | | | | |
| a) Total Outstanding Amount | 1,668.22 | 326.61 | 819.04 | 77.51 |
| b) Provision made | 1,668.22 | 326.61 | 819.04 | 77.51 |
| **Loss Assets:** | | | | |
| a) Total Outstanding Amount | 1,738.28 | 1,286.54 | 261.15 | 118.97 |
| b) Provision made | 1,738.28 | 1,286.54 | 261.15 | 118.97 |
| **Total** | | | | |
| **a) Total Outstanding Amount** | **2,161,505.05** | **1,826,220.67** | **509,616.51** | **384,263.60** |
| **b) Provision made** | **11,845.74** | **9,514.09** | **6,925.01** | **5,081.42** |

**Note:**

a. The Total Outstanding Amount mean Principal + accrued interest + other charges pertaining to loans without netting off.

b. The category of Doubtful Assets will be as under:

| Period for which the assets has been considered Doubtful | Category |
|---|---|
| Upto one year | Category - I |
| One to three years: | Category - II |
| More than three years : | Category - III |

c. The Company has made additional provision of ₹ 1,500 lakhs during the current financial year.

d. Provision made excludes additional provision of ₹ 1,500 lakhs (as at March 31, 2021 ₹ Nil) and restructured provision ₹ 6,768.84 lakhs (as at March 31, 2021 ₹ 765.81 lakhs)

**Note 5.5**

As per the Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 defined the principal business criteria for HFCs.

Details of principal business criteria as on March 31, 2022 and March 31, 2021 are as follows ;

| As at | % of total assets towards housing finance | % of total assets towards housing finance for individuals |
|---|---|---|
| March 31, 2022 | 77.48% | 77.48% |
| March 31, 2021 | 82.90% | 82.89% |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 5.6:**

(i) The above asset classification and provisioning held are as per the Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 as on March 31, 2022.

(ii) Provision for Non-performing assets required to be maintained as per Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 is to the extent of ₹ 8,987.61 lakhs (Previous year ₹ 6,758.21 lakhs). The company, has made provision for the same. The Company holds 52.69% (Previous Year 33.47 %) provision against the Non-Performing Assets.

(iii) In respect of personal loans where a resolution plan is implemented under this facility, the Company hold provision of ₹ 6,768.84 lakhs (PY ₹ 765.81 lakhs for Resolution Framework 1.0 ) provision requirements under Resolution Framework 1.0 and 2.0 for COVID-19-related Stress as per RBI circular dated August 6, 2020 and May 5, 2021 respectively.

**5.7** All housing finance companies are required to carry a general provision (i) at the rate of 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing, (ii) at the rate of 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing and (iii) at the rate of 0.25%individual housing loans which are Standard Assets other than (i) and (ii) above and 0.40% on all non housing loans. Loans to individuals for 3rd dwelling units onwards shall be treated as Commercial Real Estate (CRE) exposure. The Company carries a cumulative provision of ₹9,783.14 lakhs (Previous Year ₹ 7,837.30 lakhs).

(₹ in Lakhs)

| Particulars | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Outstanding | Provisions | Outstanding | Provisions |
| (i). Standard Assets – Commercial Real Estate | 398,436.19 | 3,984.36 | 298,657.73 | 2,986.58 |
| (ii). Standard Assets – Commercial Real Estate – Residential Housing | 40.84 | 0.31 | 377.50 | 2.83 |
| (iii). Standard Assets – Other than (i) & (ii) above | 2,255,585.71 | 5,798.47 | 1,891,257.67 | 4,847.89 |
| **Total Standard Assets & Provisions required** | **2,654,062.74** | **9,783.14** | **2,190,292.90** | **7,837.30** |
| **Total Provision held for Standard Assets** | | **9,783.14** | | **7,837.30** |

**Provisions and Contingencies**

(₹ in Lakhs)

| Break up of Provisions and Contingencies | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision for depreciation on Investment | - | - |
| Provision made towards Income Tax (net )- refer Note 17 | 41.90 | 41.90 |
| Provision towards NPA - refer Note 5.4 | 8,987.61 | 6,758.21 |
| Provisions for Standard Assets (for CRE. CRE-RH & Others) - refer note 5.6 | 9,783.14 | 7,837.30 |
| Additional Provision for Standard Assets | 1,500.00 | - |
| Provision for restructured loan accounts | 6,768.84 | 765.81 |
| Other Provisions & Contingencies- Disputed Income Taxes -refer note 17 | 35.60 | 197.88 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 5.8**

Asset Liability Management (Maturity Pattern of Certain items of Assets & Liabilities) as on March 31, 2022

(₹ in Lakhs)

| Particulars | In Days | | | In Months | | | In Years | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 day to 7 days | 8 to 14 days | 15 to 30/31 days | Over one month upto 2 months | Over 2 months upto 3 months | Over 3 months upto 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 years | |
| **Liabilities-** | | | | | | | | | | | |
| Deposits | 1,730.88 | 290.35 | 946.55 | 1,920.06 | 702.32 | 4,774.88 | 13,998.23 | 19,319.45 | 5,373.02 | 52.12 | 49,107.87 |
| Borrowings from Banks** | 20,680.97 | 1,083.33 | 138,216.92 | 54,183.35 | 53,845.44 | 185,595.72 | 02,724.63 | 562,508.41 | 324,192.84 | 253,500.93 | 1,796,532.55 |
| **Market Borrowings-** | | | | | | | | | | | |
| NCD and CP* | - | 30,000.00 | - | 95,000.00 | 35,000.00 | 129,500.00 | 50,000.00 | 140,000.00 | 136,000.00 | - | 615,500.00 |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - | - |
| **Assets-** | | | | | | | | | | | |
| Advances** | 14,613.15 | 1,911.15 | 4,671.70 | 21,098.09 | 24,385.59 | 77,115.46 | 155,062.96 | 340,126.40 | 342,931.28 | 1,689,433.97 | 2,671,349.75 |
| Investments (Includes bank deposits) | - | - | 30,000.00 | 26.35 | 20.00 | 470.64 | 1,400.57 | 100.00 | - | 111,649.99 | 143,667.55 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 5.8**

Asset Liability Management (Maturity Pattern of Certain items of Assets & Liabilities) as on March 31, 2021

| Particulars | In Days | | | In Months | | | In Years | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 day to 7 days | 8 to 14 days | 15 to 30/31 days | Over one month upto 2 months | Over 2 months upto 3 months | Over 3 months upto 6 months | Over 6 months to 1 year | Over 1 year to 3 years | Over 3 year to 5 years | Over 5 years | |
| **Liabilities-** | | | | | | | | | | | |
| Deposits | 284.39 | 326.22 | 937.48 | 949.55 | 660.30 | 5,177.95 | 13,834.34 | 15,755.86 | 6,309.63 | 11.44 | 44,247.16 |
| Borrowings from Banks** | - | - | 63,554.40 | 4,984.94 | 52,180.18 | 87,871.69 | 261,725.48 | 04,793.49 | 291,189.44 | 216,554.30 | 1,382,853.91 |
| **Market Borrowings-** | | | | | | | | | | | |
| NCD and CP* | - | - | - | 10,000.00 | 40,000.00 | 80,000.00 | 252,200.00 | 112,500.00 | 10,000.00 | - | 504,700.00 |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - | - |
| **Assets-** | | | | | | | | | | | |
| Advances** | 7,722.51 | 8,747.57 | 7,511.04 | 21,184.68 | 22,632.71 | 69,240.62 | 142,541.76 | 276,623.94 | 278,905.51 | ,375,509.14 | 2,210,619.49 |
| Investments (Includes deposits) | - | - | - | 25.00 | 20.00 | 464.61 | 1,380.06 | - | 100.00 | 4,750.00 | 6,739.67 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - |

* NCD and CP taken at face value.

** Excluding Ind AS adjustments.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 6 Investments

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | At Fair Value | | | Sub total | Others | Total |
| | | | Through OCI | At FVTPL | Designated at FVTPL | | | |
| (i) | Mutual Funds | | | | | | | - |
| (ii) | Government Securities (refer note 6.1 below) | 112,597.47 | - | - | - | 112,597.47 | - | 112,597.47 |
| (iii) | Other Approved Securities | | - | - | | - | - | - |
| (ix) | Others | | - | - | - | - | - | - |
| (A) | Total | 112,597.47 | - | - | - | 112,597.47 | - | 112,597.47 |
| (i) | Investments outside India | | - | - | - | - | - | - |
| (ii) | Investments in India | 112,597.47 | - | - | - | 112,597.47 | - | 112,597.47 |
| (B) | Total | | - | - | | - | | - |
| | (A)-(B) | | - | - | - | | - | |
| | Less: Impairment Loss Allowance | | - | - | - | - | - | - |
| | Total | 112,597.47 | - | - | - | 112,597.47 | - | 112,597.47 |

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Amortised Cost | At Fair Value | | | Sub total | Others | Total |
| | | | Through OCI | At FVTPL | Designated at FVTPL | | | |
| (i) | Mutual Funds | - | - | - | - | - | - | - |
| (ii) | Government Securities (refer note 6.1 below) | 4,960.39 | - | - | - | 4,960.39 | - | 4,960.39 |
| (iii) | Other Approved Securities | - | - | - | - | - | - | - |
| (ix) | Others | - | - | - | - | - | - | - |
| (A) | Total | **4,960.39** | **-** | **-** | **-** | **4,960.39** | **-** | **4,960.39** |
| (i) | Investments outside India | - | - | - | - | - | - | - |
| (ii) | Investments in India | 4,960.39 | - | - | - | 4,960.39 | - | 4,960.39 |
| (B) | Total | **4,960.39** | **-** | **-** | **-** | **4,960.39** | **-** | **4,960.39** |
| | (A)-(B) | - | - | - | - | - | - | - |
| | Less: Impairment Loss Allowance | - | - | - | - | - | - | - |
| | Total | **4,960.39** | **-** | **-** | **-** | **4,960.39** | **-** | **4,960.39** |

**Note 6.1: Details of investment held in Government Securities.**

(₹ in Lakhs)

| Sl. No. | Government securities | At cost | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| 1 | 06.01% GOI 25.03.2028 | 500.00 | 500.00 |
| 2 | 08.26% MAHARASHTRA SDL02.01.2029 | 500.00 | 500.00 |
| 3 | 09.19% KERALA SDL 28.05.2024 | 109.34 | 109.34 |
| 4 | 08.05% GUJARAT SDL 31.01.2028 | 511.60 | 511.60 |
| 5 | 08.16% GUJARAT SDL 09.05.2028 | 213.08 | 213.08 |
| 6 | 07.17% KARNATAKA SDL 27.11.2029 | 547.57 | 547.57 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 6.1: Details of investment held in Government Securities. (Contd.)**

(₹ in Lakhs)

| Sl. No. | Government securities | At cost | |
|---|---|---|---|
| | | As at March 31, 2022 | As at March 31, 2021 |
| 7 | 07.35% KARNATAKA SDL 24.02.2040 | 2,527.25 | 2,527.25 |
| 8 | 06.49% KARNATAKA SDL 18.11.2030 | 3,417.40 | - |
| 9 | 06.51% KARNATAKA SDL 30.12.2030 | 9,767.00 | - |
| 10 | 06.78% MAHARASHTR SDL 25.05.2031 | 4,957.50 | - |
| 11 | 06.85% MADHYA PRD SDL 15.09.2031 | 9,936.00 | - |
| 12 | 06.95% GUJARAT SDL 14.07.2031 | 2,504.00 | - |
| 13 | 06.95% MAHARASHTR SDL 14.07.2031 | 2,301.84 | - |
| 14 | 06.95% TAMILNADU SDL 07.07.2031 | 2,498.00 | - |
| 15 | 06.98% ASSAM SDL 25.08.2031 | 1,506.00 | - |
| 16 | 07.00% MADHYA PRA SDL 14.07.2031 | 2,406.00 | - |
| 17 | 07.03% KARNATAKA SDL13.10.2032 | 5,025.50 | - |
| 18 | 07.04% KERALA SDL 01.09.2034 | 14,901.00 | - |
| 19 | 07.04% TELANGANA SDL 22.12.2032 | 2,506.50 | - |
| 20 | 07.05% ANDHRA PRADESH 01.09.2035 | 2,509.75 | - |
| 21 | 07.10% MAHARASHTR SDL 04.08.2036 | 6,435.00 | - |
| 22 | 07.12%KARNATAKA SDL 29.12.2034 | 10,979.10 | - |
| 23 | 07.18% TELANGANA SDL 05.01.2033 | 6,988.80 | - |
| 24 | 06.91% MAHARASHTRA SDL 15.09.2033 | 17,672.86 | - |
| | **Total** | **111,221.09** | **4,908.84** |

**Note 6.2**

The above investments (investment Sl No. 1 to 7 ) are made to comply with the Statutory Liquidity Assets to be maintained under NHB/ Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Direction, 2021. These carry a floating charge created in favour of trustees of depositors. The total investments under Statutory Liquidity Assets include ₹ 4955.26 lakhs (Previous Year ₹ 4,960.39 lakhs) [valued at amortised cost] in Government securities and ₹ 1,917.55 lakhs (Previous Year ₹ 1,889.67 lakhs) in deposits with Nationalised Bank.

**Note 6.2.1** Also refer Note 43

**Note 6.3**

**Disclosure of Investment as per the Non Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021.**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Value of Investments | | |
| i) Gross Value of investments (valued at amortised cost) | | |
| a) In India | 112,597.47 | 4,960.39 |
| b) Outside India | - | - |
| ii) Provisions for Depreciation | | |
| a) In India | - | - |
| b) Outside India | - | - |
| iii) Net value of Investments (valued at amortised cost) | | |
| a) In India | 112,597.47 | 4,960.39 |
| b) Outside India | | |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 6.3 (Contd.)**

**Disclosure of Investment as per the Non Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021.**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Movement of provisions held towards depreciation on investments | | |
| i) Opening Balance | - | - |
| ii) Add Provisions made during the year | | - |
| iii) Less Write-off / Write-back of excess provisions during the year | - | - |
| iv) Closing Balance | - | - |

## Note 7 Other Financial Assets

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Security deposits | 301.62 | 275.82 |
| (ii) | Interest income accrued but not due on deposits with banks | 229.18 | 42.20 |
| (iii) | Staff advance | 63.97 | 51.64 |
| | Total | 594.77 | 369.66 |

## Note 8

**8.1 Current Tax Assets ( Net)**

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Advance Income tax (net of provision)* | 2,299.99 | 1,830.19 |
| | Total | 2,299.99 | 1,830.19 |

* Includes amounts paid/adjusted under dispute of ₹ 6.38 lakhs

# Notes forming part of Financial Statements

for the year ended March 31, 2022

### 8.2 Deferred Tax Assets ( Net)

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | **Deferred Tax Assets on:** | | |
| (i) | Property, plant and equipment | 162.83 | 144.42 |
| (ii) | Expected Credit Loss Provision | 2,292.71 | 385.97 |
| (iii) | Provision for employee benefits | 438.92 | 596.57 |
| (iv) | Financial assets/liabilities carried at amortised cost | 1,878.17 | 1,660.75 |
| (v) | Special Provisioning for RBI regultory package | - | 1,757.75 |
| | **Total (A)** | **4,772.62** | **4,545.46** |
| | **Deferred Tax Liabilities on:** | | |
| (i) | Property, plant and equipment | - | - |
| (ii) | Financial assets/liabilities carried at amortised cost | - | - |
| | **Total (B)** | | - |
| | **Total (A) - (B)** | **4,772.62** | **4,545.46** |

## Note 9 Property, Plant and Equipment

(₹ in Lakhs)

| Particulars | Tangible Assets | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Land - Free Hold | Owned | Right of use asset (Refer Note 44) | Furniture and Fixtures | Computers | Office equipment | Electrical equipments | Vehicles - cars | Vehicles - Two wheelers | Total |
| **Gross Carrying Value** | 98.69 | 207.45 | 3,987.30 | 1,249.24 | 954.04 | 52.55 | 812.76 | 82.99 | 126.32 | 7,571.34 |
| As at April 01, 2021 | | | | | | | | | | |
| Additions | - | - | 900.26 | 137.65 | 122.27 | 1.97 | 76.69 | - | 9.68 | 1,248.54 |
| Disposals/ Adjustments | - | - | 892.10 | 14.91 | 27.24 | 0.20 | 31.96 | 9.01 | 5.60 | 981.01 |
| **As at March 31, 2022** | **98.69** | **207.45** | **3,995.47** | **1,371.99** | **1,049.07** | **54.33** | **857.49** | **73.98** | **130.40** | **7,838.86** |
| **Accumulated Depreciation** | | | | | | | | | | |
| As at April 01, 2021 | - | 138.65 | 1,129.69 | 915.85 | 816.37 | 46.80 | 577.80 | 70.46 | 93.26 | 3,788.89 |
| Charge for the period | - | 4.12 | 650.42 | 100.83 | 136.10 | 3.41 | 71.96 | 3.91 | 9.84 | 980.58 |
| Disposals/ Adjustments | - | - | 308.99 | 13.70 | 27.23 | 0.19 | 28.38 | 8.84 | 5.26 | 392.60 |
| **As at March 31, 2022** | **-** | **142.77** | **1,471.12** | **1,002.97** | **925.24** | **50.03** | **621.38** | **65.53** | **97.84** | **4,376.87** |
| **Net Carrying Value as at March 31, 2022** | **98.69** | **64.68** | **2,524.35** | **369.01** | **123.84** | **4.30** | **236.11** | **8.45** | **32.56** | **3,461.99** |
| Gross Carrying Value | | | | | | | | | | |
| As at April 01, 2020 | 98.69 | 207.45 | 3,383.00 | 1,202.79 | 863.45 | 74.46 | 794.87 | 87.58 | 123.76 | 6,836.04 |
| Additions | - | - | 790.21 | 74.06 | 108.16 | 3.11 | 45.81 | - | 3.10 | 1,024.45 |
| Disposals/ Adjustments | - | - | 185.90 | 27.61 | 17.57 | 25.02 | 27.91 | 4.59 | 0.55 | 289.16 |
| **As at March 31, 2021** | **98.69** | **207.45** | **3,987.30** | **1,249.24** | **954.04** | **52.55** | **812.76** | **82.99** | **126.32** | **7,571.34** |
| **Accumulated Depreciation** | | | | | | | | | | |
| As at April 01, 2020 | - | 134.26 | 619.57 | 835.37 | 713.84 | 66.30 | 525.41 | 68.82 | 82.73 | 3,046.30 |
| Charge for the period | - | 4.39 | 631.82 | 103.70 | 120.09 | 4.47 | 75.88 | 5.86 | 11.06 | 957.27 |
| Disposals/ Adjustments | | | 121.70 | 23.23 | 17.55 | 23.97 | 23.49 | 4.21 | 0.53 | 214.68 |
| **As at March 31, 2021** | **-** | **138.65** | **1,129.69** | **915.85** | **816.37** | **46.80** | **577.80** | **70.46** | **93.26** | **3,788.89** |
| **Net Carrying Value as at March 31, 2021** | **98.69** | **68.80** | **2,857.61** | **333.39** | **137.67** | **5.75** | **234.96** | **12.53** | **33.05** | **3,782.44** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 10 Other Non-financial Assets

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Advance to employees | 0.65 | 0.23 |
| (ii) | Advance to capital vendors | 6.50 | 0.62 |
| (iii) | GST Input Credit | 125.88 | 103.35 |
| (iv) | Surplus in Gratuity Fund (net of provision) | 46.35 | 197.72 |
| (v) | Others | 201.23 | 210.83 |
| | **Total** | **380.61** | **512.75** |

## Note 11: Payables

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | **A. Trade Payables:** | | |
| (i) | total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) | total outstanding dues of creditors other than micro enterprises and small enterprises | 555.15 | 432.58 |
| | **B. Other Payables** | | |
| (i) | total outstanding dues of micro enterprises and small enterprises | - | - |
| (ii) | total outstanding dues of creditors other than micro enterprises and small enterprises | - | - |
| | **Total** | **555.15** | **432.58** |

(₹ in Lakhs)

| Sl. No. | Particulars | Outstanding for following periods from the date of the transaction as at March 31, 2022 | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | - | - | - | - | - |
| (ii) | Others | 555.15 | - | - | - | 555.15 |
| (iii) | Disputed dues - MSME | - | - | - | - | - |
| (iv) | Disputed dues - Others | - | - | - | - | - |

(₹ in Lakhs)

| Sl. No. | Particulars | Outstanding for following periods from the date of the transaction as at March 31, 2021 | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | - | - | - | - | - |
| (ii) | Others | 432.58 | - | - | - | 432.58 |
| (iii) | Disputed dues - MSME | - | - | - | - | - |
| (iv) | Disputed dues - Others | - | - | - | - | - |

**11.1** Trade payables include ₹ Nil (Previous Year ₹ Nil) payable to "Suppliers" registered under The Micro, Small & Medium Enterprises Development Act 2006. No interest has been paid by the company during the year to the "suppliers" covered under The Micro, Small & Medium Enterprises Development Act, 2006. The above information takes into account only those suppliers who have responded to enquiries made by the company for this purpose.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 12 Debt Securities

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At Amortised Cost | At FVTPL | Designated at FVTPL | Total | At Amortised Cost | At FVTPL | Designated at FVTPL | Total |
| (i) | Liability component of compound financial instruments | - | - | - | | - | - | - | - |
| (ii) | **Others: Secured** | | | | | | | | |
| | Redeemable Non Convertible Non-Cumulative Debentures (refer Note 12.1& 12.2 below) | 332,000.22 | - | - | 332,000.22 | 129,771.24 | - | - | 129,771.24 |
| (iii) | **Others: Unsecured** | | | | | | | | |
| | Commercial Paper (Refer Note 12.3 below) | 275,201.51 | - | - | 275,201.51 | 359,379.00 | - | - | 359,379.00 |
| (A) | Total | 607,201.73 | | | 607,201.73 | **489,150.24** | | | **489,150.24** |
| | Debt securities in India | 607,201.73 | - | - | 607,201.73 | 489,150.24 | | | 489,150.24 |
| | Debt securities outside India | - | | | | - | - | - | |
| (B) | Total | 607,201.73 | - | - | 607,201.73 | **489,150.24** | - | - | **489,150.24** |
| | (A) - (B) | - | - | - | - | - | - | - | - |

**12.1** During the year the Company has issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures. These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for this purpose are as follows.

(₹ in Lakhs)

| Debentures | Date of Issue | Date of Redemption | Rate of Interest | Rupees In lakhs (Face Value) |
|---|---|---|---|---|
| 6.10% CFHL 1SRNCD2021 2025 | 10/11/2021 | 10/02/2025 | 6.10% | 27,500.00 |
| 6.70% CFHL 2SRNCD2021 2025 | 25/02/2022 | 25/02/2025 | 6.70% | 50,000.00 |
| 6.80% CFHL 3SRNCD2021 2025 | 10/03/2022 | 10/06/2025 | 6.80% | 70,000.00 |
| 6.80% CFHL 4SRNCD 2021 2025 | 25/03/2022 | 25/06/2025 | 6.80% | 26,000.00 |
| 6.85% CFHL 5SRNCD 2021 2025 | 30/03/2022 | 30/06/2025 | 6.85% | 40,000.00 |
| Total | | | | **213,500.00** |

During the previous year Company had issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures. These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for this purpose are as follows.

(₹ in Lakhs)

| Debentures | Date of Issue | Date of Redemption | Rate of Interest | Rupees In lakhs (Face Value) |
|---|---|---|---|---|
| 6.25% CFHL 1SRNCD2020 2023 | 24/12/2020 | 24/12/2023 | 6.25% | 27,500.00 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 12 Debt Securities (Contd.)

**The details of the Secured Redeemable Non Convertible Taxable Debentures as on March 31, 2022 are as follows:**

| Particulars | Date of Issue | Date of Redemption | Rate of Interest | Rupees In lakhs (Face Value) |
|---|---|---|---|---|
| 7.89% SRNCD 2016 Serier - 6 | 18/05/2017 | 18/05/2022 | 7.89% | 60,000.00 |
| 7.85% SRNCD 2019 Series - 1 | 27/02/2020 | 27/05/2023 | 7.85% | 25,000.00 |
| 6.25% CFHL 1SRNCD2020 2023 | 24/12/2020 | 24/12/2023 | 6.25% | 27,500.00 |
| 6.10% CFHL 1SRNCD2021 2025 | 10/11/2021 | 10/02/2025 | 6.10% | 27,500.00 |
| 6.70% CFHL 2SRNCD2021 2025 | 25/02/2022 | 25/02/2025 | 6.70% | 50,000.00 |
| 6.80% CFHL 3SRNCD2021 2025 | 10/03/2022 | 10/06/2025 | 6.80% | 70,000.00 |
| 6.80% CFHL 4SRNCD 2021 2025 | 25/03/2022 | 25/06/2025 | 6.80% | 26,000.00 |
| 6.85% CFHL 5SRNCD 2021 2025 | 30/03/2022 | 30/06/2025 | 6.85% | 40,000.00 |
| Total | | | | 326,000.00 |

**The details of the Secured Redeemable Non Convertible Taxable Debentures as on March 31, 2021 are as follows:**

(₹ in Lakhs)

| Debentures | Date of Issue | Date of Redemption | Rate of Interest | Rupees In lakhs (Face Value) |
|---|---|---|---|---|
| 7.77% SRNCD 2016 Series - 3 | 15/11/2016 | 15/11/2021 | 7.77% | 12,200.00 |
| 7.89% SRNCD 2016 Serier - 6 | 18/05/2017 | 18/05/2022 | 7.89% | 60,000.00 |
| 7.85% CFHL SRNCD 2019 Series - 1 | 27/02/2020 | 27/05/2023 | 7.85% | 25,000.00 |
| 6.25% CFHL 1SRNCD 2020 2023 | 24/12/2020 | 24/12/2023 | 6.25% | 27,500.00 |
| Total | | | | **124,700.00** |

**12.2 Nature of security and terms of repayment**

Secured by first and exclusive floating charge on specified assets by hypothecation of book debts and loan receivables. Interest will be paid annually and principal amount will be paid on maturity.

**12.3 Commercial Paper of the Company have a maturity value of ₹ 2,79,500 lakhs, (Previous year ₹ 3,70,000 lakhs) the details of the same are as follows:**

(₹ in Lakhs)

| Sl. No. | Issue date | No. of units | Due Date | Period in days | Discount Rate | Face value in lakhs |
|---|---|---|---|---|---|---|
| 1 | 21/01/2022 | 5,000 | 28/07/2022 | 188 | 4.66% | 25000.00 |
| 2 | 01/10/2021 | 6,000 | 08/04/2022 | 189 | 4.25% | 30000.00 |
| 3 | 05/01/2022 | 5,900 | 25/07/2022 | 201 | 4.80% | 29500.00 |
| 4 | 15/09/2021 | 7,000 | 02/05/2022 | 229 | 4.18% | 35000.00 |
| 5 | 08/02/2022 | 10,000 | 27/10/2022 | 261 | 5.20% | 50000.00 |
| 6 | 23/11/2021 | 5,000 | 31/08/2022 | 281 | 4.86% | 25000.00 |
| 7 | 30/08/2021 | 7,000 | 20/06/2022 | 294 | 4.19% | 35000.00 |
| 8 | 01/10/2021 | 10,000 | 27/09/2022 | 361 | 4.77% | 50000.00 |
| | Total | | | | | **279,500.00** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 13 Borrowings (other than debt Securities)

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At Amortised Cost | At FVTPL | Designated at FVTPL | Total | At Amortised Cost | At FVTPL | Designated at FVTPL | Total |
| (a) | Term Loans | | | | | | | | |
| | Secured | | | | | | | | |
| (i) | from Banks [1] & [2] | 1,318,656.02 | - | - | 1,318,656.02 | 973,832.18 | - | - | 973,832.18 |
| (ii) | from other parties | 6,250.00 | - | - | 6,250.00 | - | - | - | - |
| | Unsecured | | | | | | | | |
| (i) | from Banks | 74,029.20 | - | - | 74,029.20 | 101,893.98 | - | - | 101,893.98 |
| (ii) | from others | | - | - | | - | - | - | - |
| | | | | | | | | | |
| (b) | Loans from related parties | | | | | | | | |
| | -From Canara Bank | | | | | | | | |
| | **-Term Loans (Secured)** | 75,235.24 | - | - | 75,235.24 | 92,353.14 | - | - | 92,353.14 |
| | -Loans repayable on demand (Secured) | 27,000.00 | - | - | 27,000.00 | 135,116.56 | - | - | 135,116.56 |
| (c) | Finance lease obligations | - | - | - | | - | - | - | - |
| (d) | Liability component of compound financial instruments | - | - | - | | - | - | - | - |
| (e) | Loans repayable on demand | | | | | | | | - |
| | Secured: | | | | | | | | - |
| (i) | from Banks [1] | 215,229.03 | - | - | 215,229.03 | 50,000.00 | - | - | 50,000.00 |
| (ii) | from other parties | | - | - | | - | - | - | - |
| | Unsecured | | | | | | | | - |
| (i) | from Banks [1] | 81,784.38 | - | - | 81,784.38 | 32,425.61 | - | - | 32,425.61 |
| (f) | Other loans | | - | - | | - | - | - | |
| (A) | Total | 1,798,183.87 | - | - | 1,798,183.87 | **1,385,621.47** | **-** | **-** | **1,385,621.47** |
| | Borrowings in India | 1,798,183.87 | - | - | 1,798,183.87 | 1,385,621.47 | - | - | 1,385,621.47 |
| | Borrowings outside India | - | - | - | - | - | - | - | - |
| (B) | Total | 1,798,183.87 | - | - | 1,798,183.87 | **1,385,621.47** | **-** | **-** | **1,385,621.47** |
| | (A) - (B) | | - | - | | - | - | - | - |

[1] Borrowings from Banks which are also related parties are shown separately under Loan from related parties in Sl No. (b ) above

[2] Includes borrowings outstanding aggregating to ₹ 5,38,249.59 lakhs (Previous Year ₹ 3,95,494.08 lakhs) from National Housing Bank.

**13.1** Secured loans includes borrowings from National Housing Bank, Canara Bank, HDFC Bank, and State Bank of India etc., are secured by way of specific charge on book debts, outstanding, receivables, etc., of the Company. The tenure of the Long term borrowings are more than one year and upto 15 years and that of short term borrowings is less than 1 year.

**13.2** There is no amount of continuing default as on the Balance Sheet date in terms of repayment of loans & interest on Borrowings of the Company.

**13.3** There is no pending charges or satisfaction yet to be registered with ROC within the statutory period as on March 31, 2022.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**13.4 Details of Rate of Interest and Terms of Repayment in case of term loans and other loans:**

| Sl. No. | Name of the Bank | Facility | Sanction (₹ in lakhs) | Outstanding (₹ in lakhs) | Date of Sanction | Interest Rate CY (Previous Year) | Terms of Repayment |
|---|---|---|---|---|---|---|---|
| 1 | Canara Bank | Term loan | 150,000 | 75,000.00 | 21/08/2017 | 6.55% (6.95%) | Each Tranche Repayable in 10 equal yearly installments after a moratorium/repayment holiday period of 12 months from the date of first disbursement |
| 2 | State Bank of India | Term loan | 100,000 | 72,496.00 | 23/04/2018 | 5.91%(6.27%) | Repayable in 40 quarterly instalments of ₹ 25.00 Cr. |
| 3 | State Bank of India | Term loan | 50,000 | 33,681.00 | 29/01/2018 | 5.91%(6.65%) | Repayable in 40 quarterly instalments of ₹ 12.50 Cr. |
| 4 | State Bank of India | Term loan | 100,000 | 67,498.00 | 31/12/2018 | 5.91%(6.06%) | Repayable in 40 quarterly instalments of ₹ 25.00 Cr |
| 5 | State Bank of India | Term loan | 100,000 | 77,499.00 | 13/09/2019 | 6.01%(6.65%) | Repayable in 40 quarterly instalments of ₹ 25.00 Cr. |
| 6 | HDFC Bank | Term loan | 30,000 | 12,857.00 | 20/01/2018 | 5.70%(5.65%) | 28 Equal Quarterly Installments. |
| 7 | HDFC Bank | Term loan | 25,500 | 11,839.00 | 16/05/2018 | 4.46% (4.27%) | 28 Equal Quarterly Installments. |
| 8 | HDFC Bank | Term loan | 50,000 | 25,000.00 | 22/03/2019 | 5.50% (5.50%) | 6 years Equal Monthly Principal Installments. |
| 9 | HDFC Bank | Term loan | 100,000 | 74,486.00 | 29/11/2019 | 5.50% (5.50%) | 6 years Equal Monthly Principal Installments. |
| 10 | HDFC Bank | Term loan | 100,000 | 62,857.00 | 27/07/2020 | 5.70%(5.50%) | 4 years Equal Monthly Principal Installments. |
| 11 | Federal Bank | Term loan | 25,000 | 10,711.00 | 08/02/2018 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 12 | Federal Bank | Term loan | 25,000 | 10,712.00 | 08/02/2018 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 13 | Federal Bank | Term loan | 25,000 | 15,177.00 | 11/06/2019 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 14 | Federal Bank | Term loan | 8,500 | 5,463.00 | 20/07/2019 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 15 | Federal Bank | Term loan | 10,000 | 7,142.00 | 27/12/2019 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 16 | Federal Bank | Term loan | 25,000 | 20,535.00 | 21/09/2020 | 5.99%(5.99%) | 28 Equal Quarterly Installments. |
| 17 | Indian Bank | Term loan | 30,000 | 18,333.00 | 19/09/2020 | 5.55%(5.55%) | Each Tranche Repayable in 12 equal quarterly installments. |
| 18 | Indian Bank | Term loan | 70,000 | 62,999.00 | 19/09/2020 | 5.55%(5.55%) | Each Tranche Repayable in 40 equal quarterly installments. |
| 19 | State Bank of India | Term loan | 50,000 | 46,153.00 | 09/03/2021 | 6.08%(NA) | Repayable in 39 quarterly instalments of ₹ 12.82 Cr. |
| 20 | State Bank of India | Term loan | 100,000 | 12,500.00 | 21/01/2022 | 6.08%(NA) | Repayable in 40 quarterly instalments of ₹ 25.00 Cr. |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**13.4 Details of Rate of Interest and Terms of Repayment in case of term loans and other loans: (Contd.)**

| Sl. No. | Name of the Bank | Facility | Sanction (₹ in lakhs) | Outstanding (₹ in lakhs) | Date of Sanction | Interest Rate CY (Previous Year) | Terms of Repayment |
|---|---|---|---|---|---|---|---|
| 21 | HDFC Bank | Term loan | 65,000 | 60,868.00 | 12/01/2021 | 6.45%(NA) | 5 years with equal monthly principal instalment. |
| 22 | Federal Bank | Term loan | 10,000 | 9,643.00 | 01/09/2021 | 5.50%(NA) | 28 Equal Quarterly Installments. |
| 23 | Bank of India | Term loan | 30,000 | 10,000.00 | 11/10/2021 | 6.85%(NA) | Each Tranche Repayable in 6 equal yearly installments from 12 months from the date of first disbursement. |
| 24 | Bank of India | Term loan | 100,000 | 88,892.00 | 11/10/2021 | 5.90%(NA) | Each Tranche Repayable in 36 equal monthly installments from 12 months from the date of first disbursement. |
| 25 | Bank of India | Short Term loan | 50,000 | 44,988.29 | 05/03/2021 | 5.70%(6.00%) | Repayable within one year from the date of first disbursement. |
| 26 | Indian Bank | Term loan | 100,000 | 500.00 | 07/12/2021 | 6.50%(NA) | Each Tranche Repayable in 7 equal yearly installments. |
| 27 | Punjab National Bank | Term loan | 100,000 | 12,500.00 | 10/02/2022 | 5.75%(NA) | Each Tranche Repayable in 39 equal `quarterly installments from 12 months from the date of first disbursement. |
| 28 | IDBI | Short Term loan | 50,000 | 50,000.00 | 31/12/2021 | 5.25%(NA) | Repayable on demand |
| 29 | Union Bank of India | Short Term loan | 100,000 | 100,000.00 | 15/11/2021 | 5.60%(NA) | Bullet paymentg within 180 days from the date of disbursement. |
| 30 | RBL Bank | Term loan | 25,000 | 22,917.00 | 19/10/2021 | 5.55%(NA) | Each Tranche Repayable in 12 equal `quarterly installments commence at the end of 90 days from the date of first disbursement. |
| 31 | Citi Corp Finance India Ltd. | Term loan | 10,000 | 6,250.00 | 05/02/2021 | 5.09%(NA) | Each Tranche Repayable in 8 equal quarterly installments from the date of drawdown |
| 32 | Federal Bank | WCDL | 100,000 | 19,999.99 | 01/09/2021 | 5.50%(NA) | Repayable in lumpsum between 7 days to 180 days |
| 33 | State Bank of India | Overdraft and WCDL | 10,000 | 81,088.67 | 13/09/2019 | 6.90%(6.90%) | WCDL can be repaid by way of installments or bullet payments. CC Repayable on demand. |
| 34 | HDFC Bank | Overdraft and WCDL | 10,000 | 695.02 | 29/09/2019 | 7.15%(7.00%) | WCDL can be repaid by way of installments or bullet payments. CC Repayable on demand. |
| 35 | Canara Bank | Overdraft | 27,000.00 | 27,000.00 | 11/01/2022 | 4.10%(7.35%) | Repayable on demand |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 14 Deposits

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At Amortised Cost | At FVTPL | Designated at FVTPL | Total | At Amortised Cost | At FVTPL | Designated at FVTPL | Total |
| | **Deposits** | | | | | | | | |
| (i) | Public Deposits [refer note 14.1 & 14.2 below] | 48,854.14 | - | - | 48,854.14 | 43,400.09 | - | - | 43,400.09 |
| (iii) | From Banks | | | | | - | - | - | - |
| (iii) | From Others: | | | | | - | - | - | |
| | Deposits from others | 253.73 | - | - | 253.73 | 847.07 | - | - | 847.07 |
| | **Total** | **49,107.87** | **-** | **-** | **49,107.87** | **44,247.16** | **-** | **-** | **44,247.16** |

**14.1** As per the directions of the National Housing Bank, the Company has created floating charge on Statutory Liquid Assets (Investments in Govt. Securities (including other approved securities) and Deposits in Commercial Banks) in favour of the Trustees of the depositors in terms of Paragraph 42.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 read with by the National Housing Bank in terms of sub-sections (1) & (2) of section 29B of the NHB Act, 1987 [ Refer Note 3.1 and 6.1].

**14.2** The Company has not received any money from the Directors during the current financial year and previous financial year.

**14.3** Also refer note no. 16.1 of financial statement.

## Note 15 Subordinated Liabilities

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | At Amortised Cost | At FVTPL | Designated at FVTPL | Total | At Amortised Cost | At FVTPL | Designated at FVTPL | Total |
| 1 | Unsecured Redeemable Non Convertible Debenture (refer Note 15.1 below) | 10,274.28 | - | - | 10,274.28 | 10,271.46 | - | - | 10,271.46 |
| | - in India | 10,274.28 | - | - | 10,274.28 | 10,271.46 | - | - | 10,271.46 |
| | - outside India | - | - | - | - | - | - | - | |
| (B) | **Total** | **10,274.28** | **-** | **-** | **10,274.28** | **10,271.46** | **-** | **-** | **10,271.46** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 15.1**

**The details of the Unsecured Non Convertible Debentures in the nature Tier II capital as on March 31, 2022 and March 31, 2021 is as follows:**

(₹ in Lakhs)

| Particulars | Date of Issue | Date of Redemption | Rate of Interest | Amount in lakhs (Face value) |
|---|---|---|---|---|
| 8.94% CFHL UNCD 2014 | 03/12/2014 | 03/12/2024 | 8.94% | 10,000.00 |

Further, the Company has issued Unsecured Debentures in the nature of Tier II capital worth ₹ 10,000 lakhs in the financial year 2014-15 for a term of 10 years through private placement. These Debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing capital adequacy. Based on the balance term to maturity as at March 31, 2022, 40% of the book value of the subordinated debt is considered as Tier II Capital for the purpose of Capital Adequacy computation.

## Note 16 Other Financial Liabilities

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Book overdraft | 12,456.42 | - |
| (ii) | Unpaid matured deposits and interest accrued thereon (refer note 16.1 below) | 1,393.48 | 1,177.56 |
| (iii) | Unclaimed Dividend (refer note 16.2 below) | 220.43 | 185.52 |
| (iv) | Due to customers/borrowers | 75.37 | 97.98 |
| (v) | Lease Liability (refer Note 45) | 3,218.80 | 3,617.04 |
| (vi) | Other Liabilities | 417.86 | - |
| | Total | 17,782.36 | 5,078.10 |

Temporary Book Overdraft of ₹ 12,456.42 lakhs (Previous Year ₹ Nil) represents cheques issued towards disbursements to borrowers but not encashed as at March 31, 2022

**16.1** As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹ 32.47 lakhs as unclaimed deposits including interest accrued thereon (Previous Year ₹ 16.94 lakhs), except to the extent of ₹ 39.70 lakhs (PY ₹ 41.16 lakhs) in respect of claims that are disputed deposits and ₹ 33.09 lakhs ( PY ₹ 25.56 lakhs) where claims are pending for non-completion of documentation by claimants. As of March 31, 2022, no amount was due for transfer to the IEPF.

**16.2** As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹ 19.67 lakhs as unclaimed dividend to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2022. There are no dividends which are pending to be transferred to Investor Education and Protection Fund as per Sec 125 of the Companies Act, 2013 as at year end.

## Note 17 Provisions

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Provision for Income Tax (net of advance tax) | 41.90 | 41.90 |
| (ii) | Provision for Employee Benefit (Refer Note 37) | 2,396.15 | 3,001.51 |
| (iii) | Special provisioning for RBI regulatory package (Refer note 47.1) | - | 6,984.05 |
| (iv) | Provision for contingencies (income taxes) | 35.60 | 197.88 |
| (v) | Provision on other receivables (Refer note 17.1) | 73.01 | - |
| | Total | 2,546.66 | 10,225.34 |

**17.1** Provision has been made for the balance amount receivable under Scheme for grant of ex-gratia RBI/2020-21/61 DOR.No.BP. BC.26/21.04.048/2020-21, payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020).

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 18 Other Non Financial Liabilities

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Revenue received in advance | 666.21 | 569.94 |
| (ii) | Statutory Dues | 335.00 | 220.43 |
| (iii) | Other Payables: | | |
| | (i) Cheques pending presentation | 5.05 | 5.34 |
| | (ii) Cheques pending realisation | 76.96 | 1.24 |
| | (iii) Time barred cheques | 46.46 | 38.47 |
| | (iv) Other monies received in advance | 302.95 | 341.02 |
| | (v) Others | 687.86 | 190.91 |
| | **Total** | **2,120.49** | **1,367.35** |

## Note 19 Equity Share Capital

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | **Authorised:** | | |
| | 35,00,00,000 Equity Shares of ₹ 2 each (Previous Year : 35,00,00,000 Equity Shares of ₹ 2 each) | 7,000.00 | 7,000.00 |
| (ii) | **Issued and Subscribed:** | | |
| | 13,32,27,875 Equity Shares of ₹ 2 each (Previous Year : 13,32,27,875 Equity Shares of ₹ 2 each ) | 2,664.56 | 2,664.56 |
| (iii) | Paid up: | | |
| | 13,31,54,125 Equity shares of ₹ 2 each (Previous Year : 13,31,54,125 Equity shares of ₹ 2 each) | 2,663.08 | 2,663.08 |
| | **Add : Forfeited Shares** | 0.23 | 0.23 |
| | **Total** | **2,663.31** | **2,663.31** |

**Note 19.1 Reconciliation of number of shares outstanding and the amount of share capital at the beginning and end of the year**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | ₹ in lakhs | No. of shares | ₹ in lakhs |
| Equity Shares outstanding as at the beginning of the year | 133,154,125 | 2,663.31 | 133,154,125 | 2,663.31 |
| Add: Equity shares issued during the year | - | - | - | - |
| **Equity Shares outstanding as at the end of the year** | **133,154,125** | **2,663.31** | **133,154,125** | **2,663.31** |

**Note 19.2 Details of shareholding more than 5% of equity shares in the company**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % of shares held to total shares | No. of shares | % of shares held to total shares |
| Canara Bank (sponsor bank) | 39,930,365 | 29.99 | 39,930,365 | 29.99 |
| Chhattisgarh Investments Ltd | 8,635,330 | 6.85 | 9,564,655 | 7.18 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 19.3 Details of promoters shareholding**

**Shares held by promoters at the end of the year March 31, 2022**

| Sl. No. | Particulars | No. of Shares | %of total shares | % Change during the year |
|---|---|---|---|---|
| 1 | Canara Bank (sponsor bank) | 39,930,365 | 29.99 | - |

**Note 19.3** Terms and rights attached to Equity Shares: The Company has one class of Equity shares having a face value of ₹ 2/- per share and each shareholder is eligible for one vote per share held. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholdings.

**Note 19.4** For the period of five years immediately preceding the FY 2021-22

(A) Aggregate number and class of shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash is NIL

(B) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares is NIL

(C) Aggregate number and class of shares bought back is NIL

**Note 19.5** During the FY 2021-22 The Company has not :

A) Issued any securities convertible into equity/preference shares.

B) Issued any shares where calls are unpaid.

C) Forfeited any shares.

D) Issued any shares reseved for issue under options and contracts or commitments for sale of shares or divestment.

## Note 20 Other Equity

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (i) | Special Reserve (created as per requirement of Income Tax Act - Section 36(1)(viii)): | | |
| | Balance at the beginning of the year | 77,897.62 | 65,843.00 |
| | Transferred from statement of profit and loss (refer Note 20.1 below) | 13,188.88 | 12,054.62 |
| | **Balance at the end of the year (A)** | **91,086.50** | **77,897.62** |
| | Cumulative Tax effect on special reserve at the beginning of the year | 14,115.46 | 11,081.55 |
| | Tax effect for the year | 3,319.38 | 3,033.91 |
| | **Cumulative Tax effect at the end of the year (B)** | **17,434.84** | **14,115.46** |
| | Total (A)+(B) | 108,521.34 | **92,013.08** |
| (ii) | General Reserve | | |
| | Balance at the beginning of the year | 72,091.97 | 62,971.35 |
| | Add: Transferred from statement of profit and loss | 9,404.48 | 9,120.62 |
| | **Balance at the end of the year** | **81,496.45** | **72,091.97** |
| (iii) | Statutory Reserve (created as per the requirement of Section 29C of the NHB Act, 1987) | | |
| | Balance at the beginning of the year | 41,144.17 | 32,023.55 |
| | Add: Transferred from statement of profit and loss (refer Note 20.1 below) | 9,404.48 | 9,120.62 |
| | **Balance at the end of the year** | **50,548.65** | **41,144.17** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 20 Other Equity (Contd.)

(₹ in Lakhs)

| Sl. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| (iv) | **Securities Premium Reserve** | | |
| | Balance at the beginning of the year | 27,297.54 | 27,297.54 |
| | Add: Received during the year | - | - |
| | **Balance at the end of the year** | **27,297.54** | **27,297.54** |
| (v) | **Profit and loss account (Including Other Comprehensive Income)** | | |
| | Balance at the beginning of the year | 25,770.70 | 13,126.55 |
| | Add: Total comprehensive income for the year | 47,022.42 | 45,603.10 |
| | Add/ (Less):- Transferred to Special Reserve (refer Note 20.1 below) | (13,188.88) | (12,054.62) |
| | Add/ (Less):- Transferred to Statutory Reserve (refer Note 20.1 below) | (9,404.48) | (9,120.62) |
| | Add/ (Less):- Transferred to General Reserve | (9,404.48) | (9,120.62) |
| | Add/ (Less):- Dividend (refer Note 20.2) | (2,663.08) | (2,663.08) |
| | Add/ (Less):- Dividend (refer Note 20.2) | (1,997.31) | |
| | Add/ (Less):- Corporate Dividend Tax thereon | - | |
| | **Balance at the end of the year** | **36,134.88** | **25,770.70** |
| (vii) | **Share application money pending allotment** | | |
| | Balance at the beginning of the year | - | - |
| | Less: Allotted during the year | - | - |
| | Balance at the end of the year | - | - |
| | **Total** | **303,998.87** | **258,317.46** |

**Note 20.1**: As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible transfer u/s 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹ 13,188.88 lakhs (Previous Year ₹ 12,054.62 lakhs) to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹ 9,404.48 lakhs (Previous Year ₹ 9,120.62 lakhs ) to Additional Reserve u/s 29C of the NHB Act, 1987 during the FY 2021-22.

**Note 20.2**: The Company has paid dividend of ₹ 2/- per share on the equity shares of face value of ₹ 2/- each pertaining to FY 2020-21, post approval by the members in the 34th AGM held on 8th September, 2021. The Board of Directors had declared an interim dividend of ₹ 1.50 per share for equity share of face value of ₹ 2 each at their meeting held on December 14, 2021 and paid subsequently.

**Note 20.3** : The Board of Directors, have recommended final dividend of ₹ 1.5/- per equity share, this proposed dividend is subject to the approval of the members at the ensuing AGM. According to the requirements of Ind AS 10- Events occurring after Balance sheet date, the dividend declared shall only be recognised as a liability in the books of account in the year in which the dividends are declared on approval by members. The total estimated dividend on equity shares to be paid is ₹ 1,997.31 lakhs.

**Note 20.4**

Reserve Fund u/s 29C of NHB Act, 1987:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Statutory Reserve (As per section 29C of the National Housing Bank Act, 1987)** | | |
| **Opening Balance** | 41,144.17 | 32,023.55 |
| Additions during the year | 9,404.48 | 9,120.62 |
| Appropriations during the year | - | - |
| **Closing Balance** | **50,548.65** | **41,144.17** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 20.4 (Contd.)**

Reserve Fund u/s 29C of NHB Act, 1987:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 41,144.17 | 32,023.55 |
| b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987 (excluding tax effect) | 77,897.62 | 65,843.00 |
| Total | 119,041.79 | **97,866.55** |
| **Addition/ Appropriation / Withdrawal during the year** | | |
| Add: | | |
| a) Amount transferred u/s 29C of the NHB Act, 1987 | 9,404.48 | 9,120.62 |
| 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. | 13,188.88 | 12,054.62 |
| Less: | | |
| a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987 | - | - |
| b Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987. | - | - |
| **Balance at the end of the year** | | |
| a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987 | 50,548.65 | 41,144.17 |
| 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. | 91,086.50 | 77,897.62 |
| Total | 141,635.15 | **119,041.79** |

## Note 21 Interest Income

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | | | Year ended March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | On Financial assets measured | | | On Financial assets measured | | |
| | | At FVTOCI | At Amortised Cost | At FVTPL | At FVTOCI | At Amortised Cost | At FVTPL |
| (i) | Interest on Loans | - | 193,767.13 | - | - | 200,144.86 | - |
| (ii) | Interest income from investments | - | 2,872.82 | - | - | 188.53 | - |
| (iii) | Interest on deposits with Banks | - | 300.77 | - | - | 281.90 | - |
| (iv) | Other Interest income | - | 25.84 | - | - | 21.42 | - |
| | Total | - | 196,966.56 | - | - | 200,636.71 | - |

## Note 22 Fee and Commission Income

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Processing and other fee | 1,187.64 | 961.95 |
| (ii) | Insurance commission income | 629.01 | 215.32 |
| | Total | 1,816.65 | **1,177.27** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 23 Other Income

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Profit on sale of property plant and equipment | - | - |
| (ii) | Provision no longer required written back | - | - |
| (iii) | Dividend Income from Investment in Mutual funds | - | - |
| (iv) | Bad debts recovered | 67.51 | 29.13 |
| | **Total** | **67.51** | **29.13** |

## Note 24 Finance Costs

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| | **Financial Instruments recognised at Amortised cost:** | | |
| (i) | Interest on deposits | 3,217.64 | 2,327.04 |
| (ii) | Interest on borrowings | 82,683.51 | 93,203.86 |
| (iii) | Interest on debt securities | 27,888.68 | 23,809.12 |
| (iv) | Interest on Subordinated liabilities | 894.00 | 894.00 |
| (v) | Interest on lease liability | 304.57 | 296.48 |
| (vi) | Other charges | 362.19 | 302.16 |
| | **Total** | **115,350.59** | **120,832.66** |

## Note 25 Fees and Commission Expense

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Direct Selling Agents' Commission | 2,447.47 | 1,142.79 |
| (ii) | CIBIL and other Fee | 74.50 | 56.26 |
| | **Total** | **2,521.97** | **1,199.05** |

## Note 26 Impairment of Financial Instruments

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Loans* | 4,694.22 | 6,853.17 |
| | **Total** | **4,694.22** | **6,853.17** |

* Includes ₹ 1,500 lakhs additional provision for standard assets for the current year, also refer note 5.4 (PY includes special provison for RBI regulatory package )

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 27 Employee Benefits Expenses

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Salaries and wages | 6,550.83 | 6,099.71 |
| (ii) | Contribution to provident and other funds (refer note 37) | 669.40 | 556.97 |
| (iii) | Staff welfare expenses | 395.80 | 303.88 |
| (iv) | Others | 64.94 | 37.86 |
| | **Total** | **7,680.97** | **6,998.42** |

## Note 28 Depreciation Expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Depreciation on property, plant and equipment and right of use assets (refer Note 9) | 980.58 | 957.27 |
| **Total** | **980.58** | **957.27** |

## Note 29 Other Expenses

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| (i) | Rent, taxes and energy costs | 326.22 | 223.35 |
| (ii) | Repairs and maintenance | 146.53 | 123.49 |
| (iii) | Communication costs | 403.73 | 282.31 |
| (iv) | Printing and stationery | 43.83 | 36.47 |
| (v) | Advertisement and publicity | 119.00 | 167.14 |
| (vi) | Director's sitting fees | 32.60 | 28.20 |
| (vii) | Auditor's fees and expenses (refer Note 29.1 below) | 77.43 | 58.26 |
| (viii) | Legal and professional charges (refer Note 29.2 below) | 656.38 | 473.00 |
| (ix) | Corporate Social Responsibility Expenses (refer Note 48) | 1,243.37 | 1,107.58 |
| (x) | Insurance charges | 145.71 | 93.46 |
| (xi) | Travelling and conveyance | 305.94 | 193.50 |
| (xii) | Bank charges | 101.10 | 77.86 |
| (xiii) | General expenses | 99.25 | 72.98 |
| (xiv) | Rates and tax | 237.45 | 193.22 |
| (xv) | Loss on sale of property plant equipment | 0.44 | 5.94 |
| (xvi) | Miscellaneous expenses | 177.62 | 107.76 |
| | **Total** | **4,116.60** | **3,244.52** |

### 29.1 Auditor's remuneration (net of GST)

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Audit Fees (Including Statutory Branch Auditors fees and Tax audit) | 68.11 | 50.27 |
| Tax Matters | - | - |
| Other Services (Certification etc.,) | 2.87 | 4.99 |
| Out of Pocket Expenses | 6.45 | 3.00 |
| **Total** | **77.43** | **58.26** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**29.2** The Company has entered into lease cum licence agreement with M/S ThemePro Technologies Pvt Ltd., for implementation of Integrated Business Suit (IBS) software. The expenditure incurred in this regard amounting to ₹ 389.97 lakhs (Previous Year ₹ 297.24 lakhs) is charged to the P & L account under Legal and Professional charges.

## Note 30 Financial Instruments: Financial Assets (at amortised cost)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) Cash and Cash Equivalents | 269.88 | 79.25 |
| (ii) Bank Balances other than (i) above | 32,138.08 | 2,075.30 |
| (iii) Trade Receivables | 112.77 | 70.80 |
| (iv) Loans | | |
| Term Loans | 2,664,845.99 | 2,204,509.55 |
| Less: Impairment Loss Allowance [refer Note 5.4 and 5.6] | 27,039.58 | 15,361.32 |
| **Sub Total** | **2,637,806.41** | **2,189,148.23** |
| (v) Investments | 112,597.47 | 4,960.39 |
| (vi) Other Financial Assets | 594.77 | 369.66 |
| **Total** | **2,783,519.38** | **2,196,703.63** |

## Note 31 Financial Instruments: Financial Liabilities (at amortised cost)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) Trade Payables | 555.15 | 432.58 |
| (ii) Debt Securities | 607,201.73 | 489,150.24 |
| (iii) Borrowings | 1,798,183.87 | 1,385,621.47 |
| (iv) Deposits | 49,107.87 | 44,247.16 |
| (v) Subordinated liabilities | 10,274.28 | 10,271.46 |
| (vi) Other Financial Liabilities | 17,782.36 | 5,078.10 |
| **Total** | **2,483,105.26** | **1,934,801.01** |

## Note 32 Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision for Expected Credit Loss (refer Note 5.4 & 32.1) | 27,039.58 | 15,361.32 |
| Provision for Employee Benefits (refer Note 32.2 below) | 2,396.15 | 3,001.51 |
| Provision for contingencies (taxes) (refer Note 32.3 below) | 35.60 | 197.88 |
| Special Provisioning on RBI regulatory package (refer Note 47.1) | - | 6,984.05 |
| **Total** | **29,471.33** | **25,544.76** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**The disclosure of provisons movement as required under IND AS 37- Provision, Contingent Liabilities and Contingent Assets is as follows**

**32.1 Provision for Expected Credit Loss [refer note 5.4 and 5.6)]**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Balance at the beginning of the year | 15361.32 | 11,837.75 |
| Provisions made during the year | 12638.61 | 3,899.69 |
| Utilisations during the year | - | - |
| Released during the year | 960.35 | 376.11 |
| **Provision at the end of the year** | **27039.58** | **15,361.32** |

**32.2 Provision for Employee Benefits**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Balance at the beginning of the year | 3,001.51 | 1,761.96 |
| Provisions made during the year | 258.70 | 1,055.53 |
| Utilisations during the year | (1,063.53) | 184.02 |
| Released during the year | - | - |
| **Provision at the end of the year** | **2,396.15** | **3,001.51** |

**32.3 Provision for Contingencies (taxes)**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Balance at the beginning of the year | 197.88 | 1,050.97 |
| Provisions made during the year | - | - |
| Utilisations during the year | 162.28 | 853.09 |
| Released during the year | - | - |
| **Provision at the end of the year** | **35.60** | **197.88** |

## Note 33 Income Tax

**33.1 Income Tax Expense in statement of profit and loss**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| **Current income tax:** | | |
| In respect of the current year | 17,039.02 | 17,163.72 |
| In respect of earlier years | (446.20) | 143.50 |
| **Deferred tax:** | | |
| In respect of the current year | (197.54) | (1,155.23) |
| **Income tax expense recognised in the statement of profit or loss** | **16,395.28** | **16,151.99** |
| **Income tax recognised in other comprehensive income** | | |
| (i) Current tax arising on income and expense recognised in other comprehensive income | - | - |
| Net loss / (gain) on remeasurement of defined benefit plan | - | - |
| (ii) Deferred tax arising on income and expense recognised in other comprehensive income | 29.63 | 0.99 |
| **Total** | **29.63** | **0.99** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**33.2 Reconciliation between provision of Income Tax of the company and amounts computed by applying the Indian Statutory Income tax rate to profit before taxes :**

(₹ in Lakhs)

| Particulars | For the year ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Profit Before Tax | 63,505.79 | 61,758.02 |
| Enacted Income Tax Rate in India (%) | 25.17 | 25.17 |
| Computed Tax Expense | 15,983.14 | 15,543.26 |
| Effect of : | | |
| Income tax pertaining to earlier years | (446.20) | 143.50 |
| Allowances/exemptions under income tax | (0.17) | (52.37) |
| Non-deductible expenses for tax purposes | 802.75 | 412.23 |
| Due to change in tax rate | | - |
| Others | 55.76 | 105.37 |
| **Income tax expense recognised in the statement of profit and loss** | **16,395.28** | **16,151.99** |

The tax rates under Indian Income Tax Act, for the year ended March 31, 2022 and March 31, 2021 is 25.168%.

## Note 34: Deferred Tax assets/(liabilities) as at March 31, 2022 in relation to :

(₹ in Lakhs)

| Particulars | As at 1st April 2021 | Recognised in profit and loss | Recognised in OCI | As at March 31, 2022 |
|---|---|---|---|---|
| Property,plant and Equipment | 144.42 | 18.41 | - | 162.83 |
| Expected Credit Loss | 385.97 | 1,906.74 | - | 2,292.71 |
| Provision for employee benefits | 596.57 | (187.28) | 29.63 | 438.92 |
| Financial assets carried at amortised cost | 1,660.75 | 217.42 | - | 1,878.17 |
| Special Provision RBI regulatory package | 1,757.75 | (1,757.75) | | - |
| **Total** | **4,545.46** | **197.54** | **29.63** | **4,772.62** |

**Deferred Tax assets/(liabilities) as at March 31 ,2021 in relation to :**

(₹ in Lakhs)

| Particulars | As at 1st April 2020 | Recognised in profit and loss | Recognised in OCI | As at March 31, 2021 |
|---|---|---|---|---|
| Property,plant and Equipment | 118.02 | 26.40 | - | 144.42 |
| Expected Credit Loss | 193.23 | 192.74 | - | 385.97 |
| Provision for employee benefits | 393.75 | 202.82 | 0.99 | 596.57 |
| Financial assets carried at amortised cost | 1,764.50 | (103.74) | - | 1,660.75 |
| Special Provision RBI regulatory package | 919.75 | 837.99 | - | 1,757.75 |
| **Total** | **3,389.25** | **1,156.22** | **0.99** | **4,545.46** |

**The company has not created deferred tax assets on the following :**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Nil | | |

## Note 35:

During the financial year ended 31st March 2022 the Company has not created DTL on special reserve due to differences in treatment of deferred tax on special reserves between Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021 and Ind AS 12 "Income Taxes".

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 36: Contingent Liabilities and commitments (to the extent not provided for)

**(i) Contingent Liabilities (to the extent not provided for)**

(₹ in Lakhs)

| Nature of claims | Risk involved | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Claims made by borrowers of the company before various Consumer Forums. | One case is pending before District Consumer forum where compensation is sought against the Company | 0.50 | - |
| | There are two(2) cases in Consumer Forums, out of which one case is pending before State Consumer redressal Forum and one case is pending before High Court where compensation is sought against the Company. | - | 8.46 |
| Based on the professional advice no material liabilities are expected, and hence no provision is made in the financial statements for the same. | | | |
| **(ii) Commitments (not provided for)** | | | |
| Disbursements – Undrawn lines | | 133,351.52 | 117,410.21 |

## Note 37 Employee Benefit Expenses

**Defined Benefit Plans:**

1. Gratuity is an Employee Benefit payable on retirement / superannuation / resignation on completion of 5 years of service.
2. Privilege Leave is an employee benefit wherein confirmed Officer/Employee is entitled to 30 days of PL every year, which can be accumulated upto a maximum of 240 days.
3. Provident Fund is a statutory employee benefit wherein contributions are made by the employee and employer in prescribed proportion.
4. Sick Leave is a Benefit, which an Officer/Employee is entitled to 15 days in a year, which can be accumulated upto a maximum of 270 days.
5. Leave Fare Concession is an employee benefit wherein all confirmed Employees/Officers are entitled once in two years.

**I. Reconciliation of present value of Projected Benefit Obligation:**

(₹ in Lakhs)

| Particulars | Gratuity | | Exempt PF* | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Present value of Projected Benefit obligation | 1,942.54 | 1,819.24 | 5,947.94 | 4,949.47 |
| Current Service Cost | 157.61 | 139.95 | 511.20 | 822.68 |
| Past Service Cost | - | - | 414.54 | - |
| Net interest on net defined liability/ (asset) | 126.33 | 116.52 | 1,022.28 | 441.60 |
| Benefits paid and charges deducted | (254.94) | (139.40) | (532.92) | 420.24 |
| Re-measurement - actuarial (gain)/ loss recognised | 32.66 | 6.23 | (78.13) | (686.05) |
| **Net Present value of Projected Benefit obligation** | **2,004.19** | **1,942.54** | **7,284.91** | **5,947.94** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 37 Employee Benefit Expenses (Contd.)

(₹ in Lakhs)

| Particulars | Long Term Compensated Absence | | Sick Leave | |
|---|---|---|---|---|
| | For the year ended | | For the year ended | |
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Present value of Projected Benefit obligation | 1,528.74 | 1,317.39 | 118.71 | 107.44 |
| Current Service Cost | 87.43 | 76.65 | 17.55 | 14.97 |
| Past Service Cost | - | - | - | - |
| Net interest on net defined liability/ (asset) | 96.81 | 84.51 | 8.26 | 7.16 |
| Benefits paid and charges deducted | (275.67) | (96.82) | - | - |
| Re-measurement - actuarial (gain)/ loss recognised | 523.40 | 147.01 | (0.38) | (10.86) |
| **Net Present value of Projected Benefit obligation** | **1,960.71** | **1,528.74** | **144.14** | **118.71** |

**II. Expenses recognised in the statement of Profit and Loss account under the head "Employee Benefits Expenses" for the year ended March 31,2022**

(₹ in Lakhs)

| Particulars | Gratuity | | Exempt PF | |
|---|---|---|---|---|
| | As at March 31,2022 | As at March 31,2021 | As at March 31,2022 | As at March 31,2021 |
| Current Service Cost | 157.61 | 139.95 | 511.20 | 822.68 |
| Past Service Cost | - | - | | - |
| Interest Cost | 126.33 | 116.52 | 1,022.28 | 441.60 |
| Benefits Settled | - | - | - | - |
| **Obligations at end of the year** | **283.94** | **256.47** | **1,533.48** | **1,264.28** |

(₹ in Lakhs)

| Particulars | Sick Leave | | Long Term Compensated Absence | |
|---|---|---|---|---|
| | As at March 31,2022 | As at March 31,2021 | As at March 31,2022 | As at March 31,2021 |
| Current Service Cost | 17.55 | 14.97 | 87.44 | 76.65 |
| Past Service Cost | | | | |
| Interest Cost | 8.26 | 7.16 | 96.81 | 84.51 |
| Benefits Settled | | | | |
| **Obligations at end of the year** | **25.82** | **22.12** | **184.25** | **161.16** |

**III. Reconciliation of Opening balances and Closing balances of Plan Assets**

(₹ in Lakhs)

| Particulars | Gratuity | | Exempt PF | |
|---|---|---|---|---|
| | As at March 31,2022 | As at March 31,2021 | As at March 31,2022 | As at March 31,2021 |
| Plan assets at the beginning of the year, at fair value | 2,140.27 | 1,896.93 | 6,456.63 | 4,848.42 |
| Re-measurement - actuarial gain/ (loss) | (85.06) | 2.31 | (78.64) | (793.04) |
| Expected return on plan assets | 143.80 | 130.03 | 468.24 | 365.84 |
| Contributions from Employees | 106.49 | 250.40 | 1,074.69 | 822.68 |
| Benefits Settled | (254.94) | (139.40) | (532.91) | 420.24 |
| **Plan assets at the end of the year at fair value** | **2,050.55** | **2,140.27** | **7,388.01** | **5,664.14** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 37 Employee Benefit Expenses (Contd.)

**III. Reconciliation of Opening balances and Closing balances of Plan Assets**

(₹ in Lakhs)

| Particulars | Sick Leave | | Long Term Compensated Absence | |
|---|---|---|---|---|
| | As at March 31,2022 | As at March 31,2021 | As at March 31,2022 | As at March 31,2021 |
| Plan assets at the beginning of the year, at fair value | - | - | - | - |
| Interest income on plan assets | | | - | |
| Re-measurement - actuarial gain/ (loss) | - | - | - | - |
| Return on plan assets greater/ (lesser) than discount rate | - | - | - | - |
| Contributions from Employees | - | - | 275.67 | 96.82 |
| Benefits Settled | - | - | (275.67) | (96.82) |
| **Plan assets at the end of the year at fair value** | **-** | **-** | **-** | **-** |

**IV Amount recognised in Other Comprehensive income (OCI)**

(₹ in Lakhs)

| Description | Gratuity | |
|---|---|---|
| | For the year ending | |
| | March 31, 2022 | March 31, 2021 |
| Actuarial (gain)/loss | 32.66 | 6.23 |
| Return or loss on plan asset | 85.06 | (2.31) |
| **Net amount recognised in OCI** | **117.72** | **3.92** |

**Acturial Assumptions**

(₹ in Lakhs)

| Description | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount rate per annum | 7.35% | 6.96% |
| Expected rate of return on Plan Assets | Gratuity-7.35%<br>Exempted PF-7.35% | Gratuity-6.96%<br>Exempted PF-6.96% |
| The estimates of future salary increases considered in actuarial valuation, take into account escalation, inflation, seniority, Promotion and other relevant factors | 7.00% | 7.00% |

**Investment pattern (in %)**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Gratuity - Funded** | | |
| Funds managed by Insurer | 100% | 100% |
| **Total** | **100%** | **100%** |
| **Exempt PF- Funded** | | |
| Government of India and State Government Securities | 52.04% | 56.11% |
| High Quality Corporate Bonds | 30.03% | 31.95% |
| Special Deposits Scheme | 1.51% | 1.74% |
| Mutual Funds | 6.96% | 6.77% |
| Bank Deposits | 9.46% | 3.43% |
| **Total** | **100%** | **100%** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 37 Employee Benefit Expenses (Contd.)

**Amounts recognised in Balance Sheet**

### Gratuity

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of defined benefit obligation | (2,004.19) | (1,942.55) |
| Fair value of plan assets | 2,050.55 | 2,140.26 |
| **Asset/ (liability) recognized** | **46.35** | **197.72** |

### Exempt PF

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of defined benefit obligation | (7,284.93) | (5,947.94) |
| Fair value of plan assets | 7,388.01 | 5,664.13 |
| **Asset/ (liability) recognized** | **-** | **(283.81)** |

### Sick Leave

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of defined benefit obligation | (144.14) | (118.70) |
| Fair value of plan assets | - | - |
| **Asset/ (liability) recognized** | **(144.14)** | **(118.70)** |

### Long Term Compensated Absence

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of defined benefit obligation | (1,960.71) | (1,528.74) |
| Fair value of plan assets | - | - |
| **Asset/ (liability) recognized** | **(1,960.71)** | **(1,528.74)** |

### Maturity profile of defined benefit obligation

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Average duration of the define benefit obligation (in years): | | |
| - Gratuity | 9.30 | 9.30 |
| - Long Term Compensated Absence | 10.90 | 10.90 |

### Sensitivity Analysis

The sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting year, which is same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 37 Employee Benefit Expenses (Contd.)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

### Gratuity

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Basis points | 50 bps | 50 bps | 50 bps | 50 bps |
| **- Discount rate** | | | | |
| Impact on Defined benefit obligation | 1,921.79 | 196,580.97 | 1,862.90 | 2,028.76 |
| Impact on Current Service cost | 153.69 | 178.33 | 146.18 | 170.37 |
| **- Salary Growth** | | | | |
| Impact on Defined benefit obligation | 2,059.42 | 1,949.30 | 1,995.84 | 1,889.48 |
| Impact on Current Service cost | 173.74 | 157.69 | 165.62 | 150.22 |

### Long Term Compensated Absence

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Basis points | 50 bps | 50 bps | 50 bps | 50 bps |
| **- Discount rate** | | | | |
| Impact on Defined benefit obligation | 1,867.42 | 2,062.63 | 1,456.16 | 1,608.03 |
| Impact on Current Service cost | 92.46 | 103.90 | 82.34 | 92.97 |
| **- Salary Growth** | | | | |
| Impact on Defined benefit obligation | 2,062.48 | 1,866.70 | 1,607.61 | 1,455.86 |
| Impact on Current Service cost | 103.90 | 92.42 | 92.94 | 82.32 |

### Sick Leave

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Basis points | 50 bps | 50 bps | 50 bps | 50 bps |
| **- Discount rate** | | | | |
| Impact on Defined benefit obligation | 139.87 | 148.70 | 115.17 | 122.48 |
| Impact on Current Service cost | 19.86 | 21.44 | 16.88 | 18.29 |
| **- Salary Growth** | | | | |
| Impact on Defined benefit obligation | 148.70 | 139.84 | 122.46 | 115.16 |
| Impact on Current Service cost | 21.44 | 19.85 | 18.28 | 16.87 |

### Maturity profile of defined benefit obligation:

(₹ in Lakhs)

| Particulars | Gratuity | | Long Term Compensated Absence | |
|---|---|---|---|---|
| | As at March 31,2022 | As at March 31,2021 | As at March 31,2022 | As at March 31,2021 |
| Year 1 | 128.79 | 98.86 | 78.94 | 48.03 |
| Year 2 | 282.59 | 208.37 | 153.80 | 97.94 |
| Year 3 | 208.78 | 214.77 | 124.20 | 100.03 |
| Year 4 | 225.82 | 215.19 | 131.15 | 105.61 |
| Year 5 | 235.27 | 268.08 | 124.14 | 122.42 |
| Next 5 years | 869.20 | 872.10 | 596.50 | 468.95 |

Note: Maturity profile of defined benefit obligation is not applicable to Sick Leave and Exempted PF.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 38 Reconciliation of number of equity shares used in the computation of basic and diluted earnings per share

(₹ in Lakhs)

| Particulars | For the year ended | | | |
|---|---|---|---|---|
| | March 31, 2022 | | March 31, 2021 | |
| | Basic EPS | Diluted EPS | Basic EPS | Diluted EPS |
| Weighted average number of equity shares outstanding during the year (Number In Lakhs) | 1,331.54 | 1,331.54 | 1,331.54 | 1,331.54 |
| Equity shares issued during the year (Number In Lakhs) | | | | |
| Weighted average number of equity shares for calculation of earnings per share (Number In Lakhs) | 1,331.54 | 1,331.54 | 1,331.54 | 1,331.54 |
| Profit for the year, as per Profit & Loss Statement (excluding Other Comprehensive income ) | 47,110.51 | 47,110.51 | 45,606.03 | 45,606.03 |
| Earning per share [Basic EPS/Dilutive EPS] (In ₹) | 35.38 | 35.38 | 34.25 | 34.25 |

## Note 39 Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (a) Items that will not be reclassified to profit and loss: | | |
| (i) Actuarial Gain / (loss) | (117.72) | (3.92) |
| (ii) Income Tax relating to items that will not be reclassified to profit and loss | 29.63 | 0.99 |
| **Total** | **(88.09)** | **(2.93)** |

## Note 40

In compliance with RBI circular number RBI/2019-20/170/DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020, the comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is tabulated below

(₹ in Lakhs)

| Asset Classification as per RBI Norms | Asset classifica tion as per Ind AS 109 | Carrying Amount as per Ind AS | Allowances (Provisions) as required under Ind AS | Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| Performing Assets | | | | | | |
| Standard | Stage 1 | 2,526,947.84 | 5,321.55 | 2,526,947.84 | 9,551.80 | (4230.25) |
| | Stage 2 | 127,114.90 | 3,488.20 | 127,114.90 | 231.34 | 3256.86 |
| **Subtotal** | | 2,654,062.74 | 8,809.75 | 2,654,062.74 | 9,783.14 | (973.39) |
| Non-Performing Assets (NPA) | | | | | | |
| Substandard | Stage 3 | 1,230.35 | 163.04 | 1,230.35 | 193.85 | (30.81) |
| Doubtful - up to 1 year | Stage 3 | 4,059.00 | 537.89 | 4,059.00 | 1,169.21 | (631.32) |
| 1 to 3 years | Stage 3 | 7,282.78 | 965.09 | 7,282.78 | 3,137.86 | (2172.77) |
| More than 3 years | Stage 3 | 2,487.26 | 2,487.26 | 2,487.26 | 2,487.26 | - |
| Subtotal for doubtful | | 15,059.39 | 4,153.28 | 15,059.39 | 6,988.18 | (2834.90) |
| Loss | | 1,999.43 | 1,999.43 | 1,999.43 | 1,999.43 | 0.00 |
| **Subtotal for NPA** | | 17,058.82 | 6,152.71 | 17,058.82 | 8,987.61 | (2834.90) |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 40 (Contd.)

(₹ in Lakhs)

| Asset Classification as per RBI Norms | Asset classifica tion as per Ind AS 109 | Carrying Amount as per Ind AS | Allowances (Provisions) as required under Ind AS | Carrying Amount | Provisions required as per IRACP norms | Difference between Ind AS 109 provisions and IRACP norms |
|---|---|---|---|---|---|---|
| Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms | Stage 1 | - | - | - | - | - |
| | Stage 2 | - | - | - | - | - |
| | Stage 3 | - | - | - | - | - |
| **Subtotal** | | | | | | |
| **Total** | Stage 1 | 2,526,947.84 | 5,321.55 | 2,526,947.84 | 9,551.80 | (4230.25) |
| | Stage 2 | 127,114.90 | 3,488.20 | 127,114.90 | 231.34 | 3,256.86 |
| | Stage 3 | 17,058.82 | 6,152.71 | 17,058.82 | 8,987.61 | (2834.90) |

**Note 40.1**

In compliance with RBI notification number RBI/DNBS/2016-17/49/Master Direction DNBS. PPD.01/66.15.001/2016- 17 dated September 29, 2016, during the year and subsequent to end of the year the Company has reported 38 fraud case in relation to loans advanced to the borrowers amounting to ₹ 419.82 lakhs to NHB (Previous year ₹ Nil).

## Note 41 Financial Risk Management

**i) Credit Risk**

It is defined as the inability or unwillingness of the counterparty to meet the commitment in relation to lending, trading, hedging, settlement and other financial transactions. Also it is defined as the possibility of losses associated with diminution in the credit quality of borrowers or counter parties. The Credit policy articulates credit risk strategy to effectively communicate it throughout the company and all relevant personnel to understand company's approach to grant of credit. The Policy covers products/ borrower category, frame work for appraisal process, guidelines for takeover of accounts, entry level matrix (credit scoring system) and flexibility in pricing, dispensation of credit, monitoring and review mechanism, limit structure/prudential exposure levels, reporting frame work. The Company has put in place a proper Loan Review Mechanism with responsibilities assigned in various areas such as, evaluating the effectiveness of loan administration, maintaining the integrity of credit grading process, assessing the loan loss provision, portfolio quality, etc. Credit grading involves assessment of credit quality, identification of problem loans, and assignment of risk ratings. Monitoring is being done through guidelines to branches; follow up by overseeing executives and other regular follow up.

As at balance sheet date, the Company does not have significant concentration of credit risk (Refer Note 46.10(ii)).

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 41 Financial Risk Management (Contd.)

An analysis of changes in the gross carrying amount of loans and the corresponding ECL allowances in relation to loans are, as follows:

(₹ in Lakhs)

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| Gross carrying amount opening balance | 2,071,892.30 | 118,400.61 | 20,191.36 | 2,210,484.27 | 1,910,406.08 | 123,348.99 | 36,807.88 | 2,070,562.95 |
| Increase in EAD - new assets originated or purchased / further increase in existing assets [Net] | 727,599.12 | 71,808.63 | 368.12 | 799,775.87 | 377,333.47 | 2,796.40 | - | 380,129.87 |
| Assets repaid in part or full (excluding write offs) [Net] | (324313.84) | (12573.71) | (2251.04) | (339138.59) | (231499.61) | (6099.52) | (2609.41) | (240,208.54) |
| Assets Derecognised (Loans Assigned) | | | | - | | | | - |
| Transfers to Stage 1 | 98,112.13 | (95958.96) | (2153.17) | - | 61,092.14 | (56256.05) | (4836.10) | - |
| Transfers to Stage 2 | (45611.55) | 45,842.59 | (231.04) | - | (44244.34) | 57,378.79 | (13134.44) | - |
| Transfers to Stage 3 | (730.32) | (404.26) | 1,134.58 | - | (1195.43) | (2768.00) | 3,963.44 | - |
| **Total** | **2,526,947.84** | **127,114.90** | **17,058.82** | **2,671,121.56** | **2,071,892.30** | **118,400.61** | **20,191.36** | **2,210,484.28** |

Reconciliation of ECL balance is given below

(₹ in Lakhs)

| Particulars | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ECL opening balance | 1,612.32 | 1,753.35 | 3,375.84 | 6,741.51 | 803.56 | 925.34 | 5,846.71 | 7,575.61 |
| ECL Remeasurements due to changes in EAD / assumptions [Net] | 2,977.07 | 2,270.42 | 2,973.46 | 8,220.95 | (246.82) | (520.65) | (66.63) | -834.10 |
| Assets written off | - | - | - | - | - | - | - | - |
| Transfers to Stage 1 | 777.54 | (594.08) | (183.46) | - | 1,074.69 | (421.95) | (652.74) | - |
| Transfers to Stage 2 | (44.82) | 64.50 | (19.69) | - | (18.61) | 1,791.37 | (1772.76) | - |
| Transfers to Stage 3 | (0.57) | (5.99) | 6.55 | - | (0.50) | (20.76) | 21.26 | - |
| **Total** | **5,321.55** | **3,488.20** | **6,152.71** | **14,962.46** | **1,612.32** | **1,753.35** | **3,375.84** | **6,741.51** |

### ii) Financial Risk

The market risk is the possibility of loss to the Company prices of security due to changes in the market factors, mainly the changes in interest rates, and competition. It is the risk to the Company's earnings and capital due to the changes in the market interest rates. Market Risk also includes company's ability to meet its obligations as and when due. The limited avenues at the disposal of the Company for raising low cost/cost effective resources and our operating on thin spreads make market risk management all the more significant. The Company has an Investment Policy/ Borrowing Policy in place which addresses the Market Risk which defines safety and liquidity will have preference over returns. Our majority of investment is by way of Bank Deposits and Govt. securities for the purpose of maintenance of SLR as prescribed by NHB. All these deposits are held to maturity. There is an ALM Committee of Executives at RO (ALCO), which functions as the operational unit for managing the balance sheet and asset liability mismatches. All the borrowing decisions and raising short term funds in the form of Non Convertible Debentures, Commercial Papers, Securitization and such other modes, are taken at appropriate level as per the Board approved policy on borrowings. Refer Note 5.8 for Asset Liability Management.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 41 Financial Risk Management (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31,2022, March 31, 2021.

| Particulars | As at March 31, 2022 | | | Total |
|---|---|---|---|---|
| | < 1 year | 1-3 years | > 3 Years | |
| Borrowings from Banks | 547,810.47 | 384,291.27 | 326,181.22 | 1,258,282.96 |
| Borrowings from NHB | 108,519.89 | 178,217.14 | 251,512.55 | 538,249.59 |
| Deposits | 24,363.28 | 19,319.45 | 5,425.15 | 49,107.87 |
| Debentures and Commercial Papers (face value) | 339,500.00 | 130,000.00 | 136,000.00 | 605,500.00 |
| Subordinated Liabilities (face value) | - | 10,000.00 | - | 10,000.00 |
| Others (excluding lease liability) | 14,563.56 | - | - | 14,563.56 |

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | | | Total |
|---|---|---|---|---|
| | < 1 year | 1-3 years | > 3 Years | |
| Borrowings from Banks | 367,129.67 | 293,400.42 | 329,717.14 | 990,247.23 |
| Borrowings from NHB | 106,074.30 | 111,393.06 | 178,026.72 | 395,494.08 |
| Deposits | 22,170.23 | 15,755.86 | 6,321.06 | 44,247.16 |
| Debentures and Commercial Papers (face value) | 382,200.00 | 60,000.00 | 52,500.00 | 494,700.00 |
| Subordinated Liabilities (face value) | - | - | 10,000.00 | 10,000.00 |
| Others (excluding lease liability) | 1,461.06 | - | - | 1,461.06 |

### iii) Liquidity Risk

Probability of loss arising from a situation where (1) there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, (2) sale of illiquid assets will yield less than their fair value, or (3) illiquid assets will not be sold at the desired time due to lack of buyers. ALM Policy is in place which has set prudential limits for structural liquidity and interest rate risk. The ALCO committee of the Company analyzes the ALM position of the Company as at the end of each quarter and appraises the Board the ALM position of the respective quarters along with the proposed measure to improve the ALM position.

#### Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled after factoring in rollover and prepayment assumptions-.

(₹ in Lakhs)

| Particulars | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 month | Total | Within 12 months | After 12 month | Total |
| **Financial Assets** | | | | | | |
| Cash and Cash equivalents | 269.88 | | 269.88 | 79.25 | | 79.25 |
| Bank Balances other than (a) above | 32,138.08 | | 32,138.08 | 2,075.30 | | 2,075.30 |
| Receivables | 112.77 | | 112.77 | 70.80 | | 70.80 |
| Loans | 298858.1 | 2,338,948.31 | 2,637,806.41 | 279,580.90 | 1,909,567.34 | 2,189,148.23 |
| Investments | - | 112,597.47 | 112,597.47 | 60.01 | 4,900.38 | 4,960.39 |
| Other Financial Assets | 293.15 | 301.62 | 594.77 | 93.84 | 275.82 | 369.66 |
| **Non-Financial Assets** | | | - | | | - |
| Current Tax Assets ( Net) | | 2,299.99 | 2,299.99 | | 1,830.19 | 1,830.19 |
| Deferred Tax Assets ( Net) | | 4,772.62 | 4,772.62 | | 4,545.46 | 4,545.46 |
| Property, Plant and Equipment | | 3,461.99 | 3,461.99 | | 3,782.44 | 3,782.44 |
| Other non-financial assets | | 380.61 | 380.61 | 0.67 | 512.08 | 512.75 |
| **Total Assets** | **331,671.98** | **2,462,762.61** | **2,794,434.59** | **281,960.76** | **1,925,413.71** | **2,207,374.47** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 41 Financial Risk Management (Contd.)

(₹ in Lakhs)

| Particulars | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 month | Total | Within 12 months | After 12 month | Total |
| **LIABILITIES** | | | | | | |
| Financial Liabilities | | | | | | |
| Trade Payables | 555.15 | | 555.15 | 432.58 | | 432.58 |
| Debt Securities | 335,201.51 | 272,000.22 | 607,201.73 | 371,578.99 | 117,571.24 | 489,150.23 |
| Borrowings ( Other than debt securities) | 656,330.37 | 1,141,853.50 | 1,798,183.87 | 470,316.68 | 915,304.79 | 1,385,621.47 |
| Deposits | 24,363.28 | 24,744.59 | 49,107.87 | 22,170.23 | 22,076.93 | 44,247.16 |
| Subordinated Liabilities | - | 10,274.28 | 10,274.28 | | 10,271.46 | 10,271.46 |
| Other Financial Liabilities | 14,563.56 | 3,218.80 | 17,782.36 | 1,461.06 | 3,617.04 | 5,078.10 |
| Provisions | 197.89 | 2,348.77 | 2,546.66 | 165.87 | 10,059.47 | 10,225.34 |
| Other non-financial liabilities | 2,120.49 | | 2,120.49 | 1,367.35 | | 1,367.35 |
| Equity Share capital | | 2,663.31 | 2,663.31 | | 2,663.31 | 2,663.31 |
| Other Equity | | 303,998.87 | 303,998.87 | | 258,317.46 | 258,317.46 |
| **Total Liabilities** | **1,033,332.25** | **1,761,102.34** | **2,794,434.59** | **867,492.76** | **1,339,881.70** | **2,207,374.47** |

**iv) Interest rate risk**

Earnings risk is the danger that income may fluctuate due to changes in economic conditions or other factors. It is also the potential negative impact on the net interest income. The risk refers to vulnerability to movement in interest rates. Changes in interest rates effects earning, value of asset and cash flow. Asset Liability Management Committee (ALCO) meets at periodical intervals and assesses the earning risk and gives proper directions to the management to improve the NIM. Company shall monitor the income earned by way of interest and other income at quarterly intervals and place suitable notes to Board while placing notes on quarterly/ half yearly/annual financial results of the Company. The limited avenues at the disposal of the Company for raising low cost/cost effective resources and our operating on thin spreads make market risk management all the more significant. The credit rating of our borrowings also have a significant impact on our net interest margin. Refer Note 46.4 for credit rating details.

Sensitivity Analysis on Net Interest:

(₹ in Lakhs)

| Particulars | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Increase by 25bps | Decrease by 25bps | Increase by 25bps | Decrease by 25bps |
| Impact on profit before tax- Gain/ (Loss) | 6,102.33 | (6,102.33) | 5,302.15 | (5,302.15) |

## Note 42: Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Capital | 2,771,429.93 | 2,190,271.10 |
| Total Equity attributable to the Equity Shareholders of the Company | 306,662.18 | 260,980.77 |
| As percentage of Total Capital | 11.07% | 11.92% |
| Total Borrowings (including deposits and debt securities) | 2,464,767.75 | 1,929,290.33 |
| As percentage of Total Capital | 88.93% | 88.08% |
| **Total Capital ( Equity and Borrowings)** | **2,771,429.93** | **2,190,271.10** |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43

**Schedule to the Balance Sheet Annex III as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021:**

| Particulars | | | As at March 31, 2022 | |
|---|---|---|---|---|
| **Liabilities side** | | | **Amount outstanding** | **Amount overdue** |
| 1 | **Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:** | | | |
| | (a) | Debentures : Secured | 332,000.22 | - |
| | | : Unsecured | 10,274.28 | - |
| | | (other than falling within the meaning of public deposits*) | - | - |
| | (b) | Deferred Credits | - | - |
| | (c) | Term Loans | 1,474,170.46 | - |
| | (d) | Inter-corporate loans and borrowing | - | - |
| | (e) | Commercial Paper | 275,201.51 | - |
| | (f) | Public Deposits* | 50,501.35 | 1,393.48 |
| | (g) | Other Loans (specify nature): Loans repayable on demand | 324,013.41 | - |
| | * Please see Note 1 below | | | |
| 2 | **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):** | | | |
| | (a) | In the form of Unsecured debentures | - | |
| | (b) | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | |
| | (c) | Other public deposits | 50,501.35 | 1,393.48 |
| | * Please see Note 1 below | | | |

| **Assets side** | | | **Amount outstanding** |
|---|---|---|---|
| 3 | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:** | | |
| | (a) | Secured | 2,664,301.70 |
| | (b) | Unsecured | 544.30 |
| 4 | **Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:** | | |
| | (i) | Lease assets including lease rentals under sundry debtors | |
| | | (a) Financial lease | - |
| | | (b) Operating lease | - |
| | (ii) | Stock on hire including hire charges under sundry debtors | |
| | | (a) Assets on hire | - |
| | | (b) Repossessed Assets | - |
| | (iii) | Other loans counting towards asset financing activities | |
| | | (a) Loans where assets have been repossessed | - |
| | | (b) Loans other than (a) above | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43 (Contd.)

| Assets side | | | Amount outstanding |
|---|---|---|---|
| 5 | Break-up of Investments | | |
| | **Current Investments** | | |
| | 1 | Quoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (ii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |
| | 2 | Unquoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |
| | **Long Term investments** | | |
| | 1 | Quoted | |
| | | (i) Share | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | 112,597.47 |
| | | (v) Others (please specify) | - |
| | 2 | Unquoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43 (Contd.)

| Category | | | Amount net of provisions | | |
|---|---|---|---|---|---|
| | | | Secured | Unsecured | Total |
| 6 | Borrower group-wise classification of assets financed as in (3) and (4) above:- (Please see Note 2 below) | | | | |
| | 1 | Related Parties ** | | | |
| | | (a) Subsidiaries | - | - | - |
| | | (b) Companies in the same group | - | - | - |
| | | (c) Other related parties | 25.38 | 1.13 | 26.51 |
| | 2 | Other than related parties | 2,637,659.72 | 120.18 | 2,637,779.90 |
| | Total | | 2,637,685.10 | 121.31 | 2,637,806.41 |

| Category | | | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|---|---|
| 7 | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : (Please see Note 3 below) | | | |
| | 1 | Related Parties ** | | |
| | | (a) Subsidiaries | - | - |
| | | (b) Companies in the same group | - | - |
| | | (c) Other related parties | - | - |
| | 2 | Other than related parties | 110,653.38 | 112,597.47 |
| | Total | | - | - |

** As per notified Accounting Standard (Please see Note 3)

| Particulars | | | Amount |
|---|---|---|---|
| 8 | Other information | | |
| | (i) | Gross Non-Performing Assets | |
| | | (a) Related parties | - |
| | | (b) Other than related parties | 17,058.82 |
| | (ii) | Net Non-Performing Assets | |
| | | (a) Related parties | - |
| | | (b) Other than related parties | 8,071.21 |
| | (ii) | Assets acquired in satisfaction of debt | |

**Notes:**

1. As defined in Paragraph 4.1.30 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43

Schedule to the Balance Sheet Annex III as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021:

| Particulars | | | As at March 31, 2021 | |
|---|---|---|---|---|
| **Liabilities side** | | | **Amount outstanding** | **Amount overdue** |
| 1 | **Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:** | | | |
| | (a) | Debentures : Secured | 129,751.24 | - |
| | | : Unsecured | 10,271.46 | - |
| | | (other than falling within the meaning of public deposits*) | - | - |
| | (b) | Deferred Credits | - | - |
| | (c) | Term Loans | 1,168,079.30 | - |
| | (d) | Inter-corporate loans and borrowing | - | - |
| | (e) | Commercial Paper | 359,379.00 | - |
| | (f) | Public Deposits* | 45,424.72 | 1,177.56 |
| | (g) | Other Loans (specify nature): Loans repayable on demand | 217,542.17 | - |
| | * Please see Note 1 below | | | |
| 2 | **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):** | | | |
| | (a) | In the form of Unsecured debentures | - | |
| | (b) | In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security | - | |
| | (c) | Other public deposits | 45,424.72 | 1,177.56 |
| | * Please see Note 1 below | | | |

| **Assets side** | | | **Amount outstanding** |
|---|---|---|---|
| 3 | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:** | | |
| | (a) | Secured | 2,204,080.02 |
| | (b) | Unsecured | 429.53 |
| 4 | **Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities:** | | |
| | (i) | Lease assets including lease rentals under sundry debtors | |
| | | (a) Financial lease | - |
| | | (b) Operating lease | - |
| | (ii) | Stock on hire including hire charges under sundry debtors | |
| | | (a) Assets on hire | - |
| | | (b) Repossessed Assets | - |
| | (iii) | Other loans counting towards asset financing activities | |
| | | (a) Loans where assets have been repossessed | - |
| | | (b) Loans other than (a) above | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43 (Contd.)

| Assets side | | | Amount outstanding |
|---|---|---|---|
| 5 | Break-up of Investments | | |
| | **Current Investments** | | |
| | 1 | Quoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (ii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |
| | 2 | Unquoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |
| | **Long Term investments** | | |
| | 1 | Quoted | |
| | | (i) Share | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | 4,960.39 |
| | | (v) Others (please specify) | - |
| | 2 | Unquoted | |
| | | (i) Shares | |
| | | (a) Equity | - |
| | | (b) Preference | - |
| | | (ii) Debentures and Bonds | - |
| | | (iii) Units of mutual funds | - |
| | | (iv) Government Securities | - |
| | | (v) Others (please specify) | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43 (Contd.)

| Category | | Amount net of provisions | | |
|---|---|---|---|---|
| | | Secured | Unsecured | Total |
| 6 | **Borrower group-wise classification of assets financed as in (3) and (4) above:-** (Please see Note 2 below) | | | |
| 1 | **Related Parties **** | | | |
| | (a) Subsidiaries | - | - | - |
| | (b) Companies in the same group | - | - | - |
| | (c) Other related parties | 26.96 | 1.32 | 28.28 |
| 2 | Other than related parties | 2,188,955.64 | 164.30 | 2,189,119.95 |
| **Total** | | **2,188,982.61** | **165.62** | **2,189,148.23** |

| Category | | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|---|
| 7 | **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :** (Please see Note 3 below) | | |
| 1 | Related Parties ** | | |
| | (a) Subsidiaries | - | - |
| | (b) Companies in the same group | - | - |
| | (c) Other related parties | - | - |
| 2 | Other than related parties | 5,086.86 | 4,960.39 |
| **Total** | | - | - |

** As per notified Accounting Standard (Please see Note 3)

| Particulars | | Amount |
|---|---|---|
| 8 | **Other information** | |
| (i) | Gross Non-Performing Assets | |
| | (a) Related parties | - |
| | (b) Other than related parties | 20,191.36 |
| (ii) | Net Non-Performing Assets | |
| | (a) Related parties | |
| | (b) Other than related parties | 13,433.15 |
| (ii) | Assets acquired in satisfaction of debt | |

**Notes:**

1. As defined in Paragraph 4.1.30 of these Directions.
2. Provisioning norms shall be applicable as prescribed in these Directions.
3. All notified Accounting Standards are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

**Note 43.1** Disclosure as per RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016."

Appendix I

LCR Disclosure Template

| | Particulars | Total Unweighted Value (average)* | Total Weighted Value (average)** |
|---|---|---|---|
| **High Quality Liquid Assets** | | | |
| 1 | **Total High Quality Liquid Assets (HQLA) | 1,069.00 | 1,069.00 |
| **Cash Outflows** | | | |
| | (b) Companies in the same group | 17.33 | 19.93 |
| | (c) Other related parties | 300.00 | 345.00 |
| 2 | Deposits (for deposit taking companies) | 687.85 | 791.03 |
| 3 | Unsecured wholesale funding | | |
| 4 | Secured wholesale funding | | |
| 5 | Additional requirements, of which | | |
| | (i) Outflows related to derivative exposures and other collateral requirements | | |
| | (ii) Outflows related to loss of funding on debt products | | |
| | (iii) Credit and liquidity facilities | | |
| 6 | Other contractual funding obligations | 938.37 | 1,079.13 |
| 7 | Other contingent funding obligations | | |
| 8 | Total Cash Outflows | 1,943.55 | 2,235.08 |
| **Cash Inflows** | | | |
| 9 | Secured lending | | |
| 10 | Inflows from fully performing exposures | 188.35 | 141.26 |
| 11 | Other cash inflows | 3,819.12 | 2,864.34 |
| 12 | Total Cash Inflows | 4,007.47 | 3,005.60 |
| | | | Total Adjusted Value |
| 13 | Total HQLA | 1,069.00 | 1,069.00 |
| 14 | Total Net Cash Outflows | 558.77 | 558.77 |
| 15 | Liquidity Coverage Ratio (%) | 191.31 | 191.31 |

**Components of HQLA (Refer note 6.1 Sl no. 8 to 24)

* Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

** Weighted values must be calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow

**Appendix I**

Public disclosure on liquidity risk

**i) Funding Concentration based on significant counterparty (both deposits and borrowings)**

| Number of Significant Counterparties | Amount (₹ Cr) | % of Total deposits | % of Total Liabilities |
|---|---|---|---|
| 8 | 11,564.41 | 2,354.89 | 46.49 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 43 (Contd.)

**ii) Top 20 large deposits (amount in ₹ Cr and % of total deposits)**

| Amount (₹ In Cr) | % of Total Deposit |
|---|---|
| 202.19 | 41.17 |

**iii) Top 10 borrowings (amount in ₹ Cr and % of total borrowings)**

| Amount (₹ In Cr) | % of Total Borrowings |
|---|---|
| 22.19 | 0.09 |

**iv) Funding Concentration based on significant instrument/product**

| Name of the instrument/product | Amount (₹ Cr) | % of Total Liabilities |
|---|---|---|
| Secured Non-Convertible Debentures | 3,260.00 | 13.1 |
| Commercial Papers | 2,795.00 | 11.23 |
| Refinance Facility from NHB | 5,382.50 | 21.64 |
| Bank Facilities | 12,251.94 | 49.25 |
| Deposits | 491.08 | 1.97 |
| Subordinated Tier-II Non-Convertible Debentures | 100.00 | 0.4 |
| **Total Borrowings** | **24,280.52** | **97.6** |
| **Total Liabilities** | **24,877.72** | |

**v) Stock Ratios**

| Particulars | as a % of total public funds | as a % of total liabilities | as a % of total assets |
|---|---|---|---|
| Commercial papers | 11.50 | 11.23 | 10.00 |
| Non-convertible Debentures | - | - | - |
| Other short term liabilities* | 18.56 | 18.14 | 16.15 |

* Includes short term funds with original maturity of less than 1 year and includes funds from Refinance from NHB, Short Term Lines / OD / WCDL

**vi) Institutional set-up for liquidity risk management**

The Board shall have the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures of the Company to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.

The Risk Management Committee, which reports to the Board and consisting of Chief Executive Officer (CEO)/ Managing Director, Chief Risk Officer (CRO) and heads of various verticals, shall be responsible for evaluating the overall risks faced by the Company including liquidity risk.

The ALCO, consisting of the Company's top management shall be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The role of the ALCO with respect to liquidity risk should include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 44

**A. Related Party**

| Name of Related Party | Nature of Relationship |
|---|---|
| Canara Bank | Sponsor Bank |
| 1. Canbank Factors Ltd. | Subsidiaries of Canara Bank |
| 2. Canbank Computer Services Ltd | |
| 3. Canbank Financial Services Ltd. | |
| 4. Canbank Venture Capital Fund | |
| 5. Canara Bank Securities Ltd | |
| 1. Can Fin Homes Limited Employees Provident Fund | Employees PF Trust |
| 1. Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd. | Joint Venture with Canara Bank |
| 2. Canara Robeco Asset Management Company Ltd. | |
| 1. Subodh Kumar | Staff Deputed from Canara Bank (from 31/03/2022) |
| 2. Ajay Kumar Singh | |
| 3. Vasudha | |
| **Key Managerial Personnel:** | |
| 1. Girish Kousgi | Managing Director |
| 2. Amitabh Chatterjee ( from 15/07/2021) | Whole Time Director |
| 2. Shreekant M Bhandiwad ( till 27/04/2021) | Whole Time Director |
| 3. Shamila Mangalore | General Manager |
| 4. Veena G Kamath | Company Secretary |
| 5. Prashanth Joishy | Chief Financial Officer |
| **Relatives of KMP with whom company has transactions:** | |
| 1. Yadunand G Kamath | Son of Veena G Kamath |
| 2. Prathima Joishy | Wife of Prashanth Joishy |

**B. Transactions with the above Related Party during the year**

(₹ in Lakhs)

| Name of Related Party | Nature of Transaction | For the period | |
|---|---|---|---|
| | | 2021-22 | 2020-21 |
| Girish Kousgi | Remuneration | 120.66 | 125.67 |
| Amitabh Chatterjee ( from 15/07/2021) | Remuneration | 0.42 | - |
| Shreekant M Bhandiwad (till 27/04/2021) | Remuneration | 3.00 | 3.01 |
| Shamila Mangalore | Remuneration | 26.28 | 24.96 |
| Shamila Mangalore | Staff advance given | 1.50 | 1.40 |
| Veena G Kamath | Remuneration | 21.54 | 17.61 |
| Prashanth Joishy | Remuneration | 20.74 | 18.03 |
| Canara Bank | Term Loans & other credit facilities outstanding at the year end | 114,691.66 | 227,094.92 |
| | Interest paid for the year | 8,598.85 | 19,281.42 |
| | Deposits matured during the year | 1,889.67 | 1,838.94 |
| | Deposits made with Bank (including renewals) | 31,917.55 | 1,889.67 |
| | Interest earned for the year | 260.68 | 159.55 |
| | Rent and maintenance expense paid for the year | 60.49 | 76.33 |
| | Bank charges for the year | 123.22 | 77.11 |
| | Sitting Fees to Directors | 9.20 | 6.25 |
| | Salary & other benefits of Whole Time Director | 28.26 | 33.36 |
| | Dividend Paid | 1,397.57 | 798.61 |
| | Processing Fee | - | 236.00 |
| | Cash and cash equivalents and other bank balances | 203.87 | 186.19 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 44 (Contd.)

**B. Transactions with the above Related Party during the year**

(₹ in Lakhs)

| Name of Related Party | Nature of Transaction | For the period 2021-22 | 2020-21 |
|---|---|---|---|
| Canbank Computer Services Ltd | Registrar & Transfer Agency charges for the year | 13.62 | 10.48 |
| Canara Bank- ( Employee Pension Fund,Provident Fund & Gratuity Fund) | Borrowings by way of SRNCD | - | - |
| | Interest paid on SRNCD | - | 228.09 |
| Can Fin Homes Limited Employees Provident Fund | Reimbursement of expenses | 48.81 | 23.32 |
| Canara HSBC OBC Insurance Co. Ltd | Borrowings by way of SRNCD | 500.00 | 500.00 |
| | Interest paid on SRNCD | 39.45 | 39.45 |
| | Commission earned for the year | 306.19 | 121.50 |
| **Total** | | **160,283.25** | **252,791.87** |

**C. Balances Payable to Related Parties are as follows**

(₹ in Lakhs)

| Name of Related Party | Nature of Balances | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Canara Bank | Term Loan and Credit Facilities | 117,718.88 | 227,094.92 |
| Veena G Kamath - CS | Deposits Received/Renewed | - | 2.48 |
| | Deposit Outstanding | 2.78 | 2.59 |
| | Deposit Interest Earned | 0.20 | 0.11 |
| Prashanth Joishy -CFO | Deposits Received/Renewed | 0.76 | 0.70 |
| | Deposit Outstanding | 0.81 | 0.76 |
| | Deposit Interest Earned | 0.06 | 0.06 |
| Yadunand G Kamath | Deposits Received/Renewed | - | 3.30 |
| | Deposit Outstanding | 3.60 | 3.40 |
| | Deposit Interest Earned | 0.23 | 0.10 |
| Prathima Joishy | Deposits Received/Renewed | 11.02 | 10.03 |
| | Deposit Outstanding | 11.67 | 10.96 |
| | Deposit Interest Earned | 0.72 | 0.93 |
| **Total** | | **117,750.71** | **227,130.34** |

**D. Balances Receivable from Related Parties are as follows**

(₹ in Lakhs)

| Name of Related Party | Nature of Balances | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| Canara Bank | Fixed Deposits | 31,917.55 | 1,889.67 |
| Canara HSBC OBC Insurance Co. Ltd | Trade receivable ( Commission) | 55.28 | 34.19 |
| Shamila Mangalore - Manager | Employee Loans & Advances -outstanding | 1.43 | 1.75 |
| | Interest paid | 0.14 | 0.16 |
| | Principal Repayment | 0.32 | 0.18 |
| Prashanth Joishy - CFO | Employee Loans | 25.43 | 27.03 |
| | Interest paid | 1.31 | 1.43 |
| | Principal Repayment | 1.61 | 1.36 |

The Company has not made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 44 (Contd.)

**E. Compensation to Key Managerial Personnel**

(₹ in Lakhs)

| Particulars | For the year Ended | |
|---|---|---|
| | March 31, 2022 | March 31, 2021 |
| Short term employee benefit | 189.22 | 186.27 |
| Post-employment benefits* | - | - |
| **Total Compensation paid to Key Managerial Personnel** | **189.22** | **186.27** |

* The post employment benefits namely provision for gratuity and compensated absences cannot be determined employee wise since the provision is based on the actuarial valuation of the company as a whole.

**F. Group Structure**

Diagrammatic representation of group structure as follows:

Canara Bank (Sponsor Bank) ₹ Associate company ₹ Can Fin Homes Limited - 29.99%

**G. Consolidated Financial Statements (CFS)**

Indicative list of Balance Sheet Disclosure of HFCs Annex IV as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 para 4.10 is not applicable to the Comapany.

## Note 45: Ind AS 116-Leases

**a. Right-of-use assets- Buildings**

(₹ in Lakhs)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Opening Balance | 2,857.61 | 2,763.43 |
| Additions to right of use asset | 900.26 | 790.21 |
| Depreciation charge for the year | 650.42 | 631.82 |
| Derecognition of right of use assets | 583.10 | 64.21 |
| **Closing Balance** | **2,524.35** | **2,857.61** |

**b. Maturity analysis of lease liabilities (undiscounted)**

(₹ in Lakhs)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|
| Upto one year | 884.67 | 838.84 |
| From one to 5 years | 2,146.28 | 2,400.82 |
| More than 5 Years | 801.91 | 771.11 |

a) Interest on lease liabilities is ₹ 304.57 Lakhs (Previous Year ₹ 296.48 Lakhs) for the year ended on March 31, 2022.

b) The Company incurred ₹ 88.74 Lakhs (Previous Year ₹ 26.68 lakhs ) for the year ended 31 March 2022 towards expenses relating to short term leases. The Company does not have any low value leases.

c) The total cash outflow for leases is ₹ 928.53 Lakhs (Previous Year ₹ 921.88 Lakhs) for the year ended March 31, 2022

d) The Company has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B.

e) Profit recognised for the reporting period of ₹ 1.31 lakhs (Previous Year ₹ 21.77 lakhs) to reflect changes in lease payments that arise from rent concessions to which the lessee has applied the practical expedient in paragraph 46A.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021.

**Noet 46.1 Capital to Risk Assets Ratio (CRAR)**

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| i) CRAR (%) | 23.15% | 25.46% |
| ii) CRAR – Tier I Capital (%) | 21.61% | 23.66% |
| iii) CRAR – Tier II Capital (%) | 1.54% | 1.79% |
| iv) Amount of subordinated debt raised as Tier – II Capital (₹ in lakhs) | 4000.00 | 6,000.00 |
| v) Amount raised by issue of Perpetual Debt Instruments (₹ in lakhs) | - | - |

Note: Tier II capital includes Provision for Standard Assets.

**Note 46.2**

A. Exposure to Real Estate Sector

(₹ in Lakhs)

| Category | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 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 | 2,161,464.21 | 2,024,207.30 |
| **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: | 509,657.34 | 186,439.08 |
| **iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -** | | |
| a) Residential | Nil | Nil |
| b) Commercial Real Estate | Nil | Nil |
| Indirect Exposure | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs) | Nil | Nil |

B. Exposure to Capital Market : NIL

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) direct investment in equity shares, convertible bonds, convertible debentures and units of equityoriented mutual funds the corpus of which is not exclusively invested in corporate debt; | | |
| (ii) advances against shares / bonds /debentures or other securities or on clean basis to individuals for investment in shares (including IPOs /ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; | | |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

B. Exposure to Capital Market : NIL

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; | | |
| (iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; | NIL | NIL |
| (v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers; | | |
| (vi) loans sanctioned to corporates against the security of shares / bonds /debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | | |
| (vii) bridge loans to companies against expected equity flows / issues; | | |
| (viii) All exposures to Venture Capital Funds (both registered and unregistered) | | |
| **Total Exposure to Capital Market** | | |

C. Details of financing of parent company products : NIL

D. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC : NIL

E. Advances against intangible collateral: NIL

Exposure to group companies engaged in real estate business

| Sl. No. | Description | Amount (₹ in lakhs) | % of owned fund |
|---|---|---|---|
| (i) | Exposure to any single entity in a group engaged in real estate business | - | - |
| (ii) | Exposure to all entities in a group engaged in real estate business | - | - |

F. Disclosures of penalties imposed by NHB/RBI and other Regulators

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

NHB vide its NHB (ND)/HFC/DoS/Sup/OUT02755/2021 dated June 11, 2021 has imposed a penalty of ₹ 34,37,616/- (inclusive of GST@18%) on account of acceptance or renewal of public deposit for a period of less than 12 months which is in contravention of the provisions of Para 4 of the MFCs (NHB) Directions, 2010 and paid by the Company.

G. Unsecured Advances

Unsecured Advances consists of loans ₹ 544.30 lakhs (Previous Year ₹ 429.53 lakhs)

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

**Note 46.3 Registration obtained from other financial sector regulators during the year:**

(i) Renewal of registration of the Company as LEI (Legal Entity Identifier) as required by RBI.

(ii) Registration of Company on TReDS (Trade Receivables Discounting System) platform trough RXIL (Receivables Exchange of India Limited) as required by MCA (Ministry of Corporate Affairs).

(iii) Registration of the Company as Business user for filing of returns in FIRMS (Foreign Investment Reporting and Management System).

(iv) Registration of Company as convergence partner with NCH (National Consumer Helpline) through software "INGRAM" as directed by NHB

**Note 46.4 Rating assigned by Credit Rating Agencies and migration of rating during the year:**

(₹ in Lakhs)

| Credit Rating agency | Type | Credit Rating | |
|---|---|---|---|
| | | FY 2021-22 | FY 2020-21 |
| ICRA | Public Deposits | ICRA MAAA (Stable) | ICRA MAAA |
| ICRA | Commercial Papers | A1+ | A1+ |
| ICRA | Long Term Bank Loans | ICRA AA+ (Stable) | ICRA AA+ |
| ICRA | Short Term Bank Loans | A1+ | A1+ |
| ICRA | Non Convertible Debentures | ICRA AA+ (Stable) | ICRA AA+ |
| CARE | Non Convertible Debentures | CARE AAA (Stable) | CARE AAA (Outlook Negative) |
| CARE | Commercial Papers | A1+ | A1+ |
| CARE | Long Term Bank Loans | CARE AAA (Stable) | NA |
| | | | |
| Ind-Ra | Long Term Bank Loans | IND AA+/Stable | NA |
| Ind-Ra | Non Convertible Debentures | IND AA+/Stable | NA |
| Ind-Ra | Subordinated Debt | IND AA+/Stable | NA |
| Ind-Ra | Commercial Papers | IND A1+ | NA |

**Note 46.5** Revenue Recognition: No revenue recognition has been postponed pending the resolution of significant uncertainties.

**Note 46.6** a) During the year, no transaction was accounted which was related to prior period (Previous year ` Nil).

b) There is no change in the accounting policies during the year

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

### Note 46.7 Indian Accounting Standard 110 – Consolidated Financial Statements

The subject Standard is not applicable for the Company.

### Note 46.8 Provisions and Contingencies

(₹ in Lakhs)

| Break up of Provisions and Contingencies | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Provision for depreciation on Investment | - | - |
| Provision made towards Income Tax (net ) | 41.90 | 41.90 |
| Provision towards NPA | 8,987.61 | 6,758.21 |
| Provisions for Standard Assets (for details like teaser loan, CRE. CRE-RH etc) -(refer Note 5.6) | 9,783.14 | 7,837.30 |
| Additional Provision for Standard Assets | 1,500.00 | - |
| Provision for restructured loan accounts | 6,768.84 | 765.81 |
| Other Provisions & Contingencies- Disputed Income Taxes -(refer Note 32.3) | 35.60 | 197.88 |

### Note 46.9 Draw Down from Reserves

There was no draw down from reserves during the year.

### Note 46.10 Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Deposits of twenty largest depositors | 20,291.29 | 20,304.88 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC | 41.32% | 45.89% |

ii) Concentration of Loans & Advances

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Loans & Advances to twenty largest borrowers | 3,887.00 | 3,827.14 |
| Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC | 0.15% | 0.17% |

iii). Concentration of all Exposure (including off-balance sheet exposure)

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Exposure to Twenty largest borrowers / customers | 4,024.60 | 3,827.14 |
| Percentage of exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers | 0.15% | 0.17% |

iv). Concentration of NPAs

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total Exposure to Top ten NPA accounts | 797.68 | 810.02 |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

v). Sector-wise NPAs

| Particulars | | Percentage of NPAs to Total Advances in that sector |
|---|---|---|
| **A** | **Housing Loan** | - |
| 1 | Individuals | 0.57% |
| 2 | Builders / Project Loans | - |
| 3 | Corporates | - |
| 4 | Others ( specify) | - |
| **B** | **Non – Housing Loans** | - |
| 1 | Individuals | 0.95% |
| 2 | Builders / Project Loans | - |
| 3 | Corporates | - |
| 4 | Others ( specify) | - |

vi). Movement of NPAs

(₹ in Lakhs)

| Particulars | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| 1 | Net NPAs to Net Advances (%) | 0.30% | 0.61% |
| 2 | Movement of NPAs (Gross) | | |
| a | Opening balance | 20,191.36 | 15,713.40 |
| b | Additions during the year | 1,468.86 | 7,075.31 |
| c | Reductions during the year | 4,601.41 | 2,597.35 |
| **d** | **Closing balance** | **17,058.82** | **20,191.36** |
| 3 | Movement of Net NPAs | | |
| a | Opening balance | 13,433.15 | 11,182.60 |
| b | Additions during the year | 912.32 | 4,381.39 |
| c | Reductions during the year | 6,274.25 | 2,130.85 |
| **d** | **Closing balance** | **8,071.21** | **13,433.15** |
| 4 | Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| a | Opening balance | 6,758.22 | 4,530.79 |
| b | Provisions made during the year | 3,189.74 | 2,603.54 |
| c | Write-off / Write-back of excess provisions | (960.35) | (376.11) |
| **d** | **Closing balance** | **8,987.61** | **6,758.22** |

vii). Overseas Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Nil | | |

viii). Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms) Name of the SPV sponsored

| Domestic | Overseas |
|---|---|
| Nil | Nil |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

ix). Disclosure of Complaints Customer Complaints

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 1) No. of Complaints pending at the beginning of the year | - | - |
| 2) No. of Complaints received during the year | 1,328 | 2,423 |
| 3) No. of Complaints redressed during the year | 1,328 | 2,423 |
| 4) No. of Complaints pending at the end of the year | - | - |

**Note 46.11 Derivatives**

a) Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): No exposure

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) The notional principal of swap agreements | NIL | NIL |
| (ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | | |
| (iii) Collateral required by the HFC upon entering into swaps | | |
| (iv) Concentration of credit risk arising from the swaps $ | | |
| (v) The fair value of the swap book | | |

b) Exchange Traded Interest Rate (IR) Derivative: No exposure

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| (i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise) | Nil |
| (a) Nil | |
| (ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March (instrument-wise | |
| (a) Nil | |
| (iii) Notional principal amount of exchange traded IR derivatives outstanding and not ""highly effective"" (instrument-wise | |
| (a) Nil | |
| (iv) Mark-to-market value of exchange traded IR derivatives outstanding and not ""highly effective"" (instrument-wise | |
| (a) Nil | |

c) Disclosures on Risk Exposure in Derivatives : Not applicable

A. Qualitative Disclousre

Since the Company has not involved in the derivatives transactions, risk management policy of the Company does not cover any such disclsoure

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

B Quantitative Disclosure

| Number of Significant Counterparties | Currency Derivatives | Interest Rate Derivatives |
|---|---|---|
| (i) Derivatives (Notional Principal Amount) | NIL | NIL |
| (ii) Marked to Market Positions [1] | | |
| (a) Assets (+) | | |
| (b) Liability (-) | | |
| (iii) Credit Exposure [2] | | |
| (iv) Unhedged Exposures | | |

**Note 46.12 Securitisation**

| Number of Significant Counterparties | No./ Amount |
|---|---|
| (1) No of SPVs sponsored by the HFC for securitisation transactions | Nil |
| (2) Total amount of securitised assets as per books of the SPVs sponsored | |
| (3) Total amount of exposures retained by the HFC towards the MRR as on the date of balance sheet | |
| (I) Off-balance sheet exposures towards Credit Enhancements | |
| (II) On-balance sheet exposures towards Credit Enhancements | |
| (4) Amount of exposures to securitisation transactions other than MRR | |
| (I) Off-balance sheet exposures towards Credit Enhancements | |
| (a) Exposure to own securitizations | |
| (b) Exposure to third party securitisations | |
| (II) On-balance sheet exposures towards Credit Enhancements | |
| (a) Exposure to own securitisations | |
| (b) Exposure to third party securitisations | |

Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) No. of accounts | Nil | Nil |
| (ii) Aggregate value (net of provisions) of accounts sold to SC / RC | | |
| (iii) Aggregate consideration | | |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | | |
| (v) Aggregate gain / loss over net book value | | |

Details of Assignment transactions undertaken

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (i) No. of accounts | Nil | Nil |
| (ii) Aggregate value (net of provisions) of accounts assigned | | |
| (iii) Aggregate consideration | | |
| (iv) Additional consideration realized in respect of accounts transferred in earlier years | | |
| (v) Aggregate gain / loss over net book value | | |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

**Details of non-performing financial assets purchased / sold**

A. Details of non-performing financial assets purchased:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| (a) No. of accounts purchased during the year | Nil | Nil |
| (b) Aggregate outstanding | | |
| (a) Of these, number of accounts restructured during the year | | |
| (b) Aggregate outstanding | | |

B. Details of Non-performing Financial Assets sold:

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| 1. No. of accounts sold | Nil | Nil |
| 2. Aggregate outstanding | | |
| 3. Aggregate consideration received | | |

**Note 46.13 Gold Loan**

The Company has not provided any loans against collateral of gold and gold jewelleries.

**Note 46.14**

The Company is a large Corporate as per the applicability criteria given under the SEBI Circular SEBI/HO/DDHS/CIR/P/ 2018/144 dated November 26, 2018.

| Particulars | Details |
|---|---|
| Name of the Company | Can Fin Homes Limited |
| CIN | L85110GA1987PLC008699 |
| Outstanding Borrowings of the Company as on 31st March'2022, as applicable (in ₹ Cr) | ₹ 18,578.69 |
| Highest Credit Rating during the Previous Year along with name of the Credit Rating Agency | CARE AAA (Stable) |
| Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowings under the framework | NSE |

*Outstanding borrowings of the company having original maturity of more than one year and excluding external commercial borrowings but including public deposits with maturity more than 1 year.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 46 : Annex IV Disclosures required as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021. (Contd.)

| Sl. No. | Description | Details |
|---|---|---|
| i | 2 - year block period | FY 2021-22 and FY 2022-23 |
| ii | Incremental borrowings done in FY 2021-22 (a) (in ₹ Cr) | 8,540.00 |
| iii | Mandatory Borrowings to be done through debt securities in FY 2021-22 b=(25% of a) (in ₹ Cr) | 2,135.00 |
| iv | Actual borrowings done through debt securities in FY 2021-22 © (in ₹ Cr) | 2,135.00 |
| v | Shortfall in the borrowing through debt securities , if any for FY 2020-21 carried forward to FY 2021-22 (d) | NA |
| vi | Quantum of (d), which has been met from ( c) (e ) | NA |
| vii | Shortfall, if any , in the mandatory borrowings through debt securities for FY 2021-22 {after adjusting for any shortfall in borrowings for FY 2020-21 which was carried forward to FY 2021-22 (f)=(b)-[ (c )-( e) ]} { If the calculated value is zero or negative , write"nil"} | - |

| Sl. No. | Description | Details |
|---|---|---|
| i | 2 year block period | FY 2020-21 , FY 2021-22 |
| ii | Amount of fine to be paid for the block , if applicable Fine =0.2% of { (d) -(e )} | NA |

## Note 47:

i) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half- year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|---|---|---|---|---|---|
| Personal Loans | 7,285.07 | 61.17 | - | 85.53 | 7,138.38 |
| Corporate persons | - | | | | |
| Of which, MSMEs | - | | | | |
| Others | 137.34 | - | - | 96.50 | 40.84 |
| **Total** | **7,422.41** | **61.17** | **-** | **182.02** | **7,179.22** |

ii) There were 431 borrower accounts having an aggregate exposure of ₹ 6,184.83 lakhs to the Company, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated August 6, 2020 and now modified under RBI's Resolution Framework 2.0 dated May 5, 2021.

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 47: (Contd.)

47.1 General provision required to be maintained in respect of accounts in default but standard and asset classification benefit extended, as per RBI Circular on 'COVID-19 Regulatory Package dated 17th April' 2020. Against this, the Company continous to holds a provision of ₹ 6,984.05 lakhs, on account of COVID - 19 Stress. This provision amount is disclosed as Special Provisioning for RBI regulatory package under Note 17: "Provisions"

47.2 Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in April-May 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with significant number of COVID-19 cases. India experienced the "second wave" of COVID -19 pandemic in April-May 2021 and has resulted in re-imposition of localised lockdowns in various parts of the Country. These were gradually lifted as the second wave subsided. The world is now experiencing another outbreak on account of new coronavirus variant and as a precautionary measure India has started to reimpose localised / regional restrictions.

The impact on the Company's operations and financial position, including the credit quality and requirement for provisioning, is uncertain and will depend on future steps taken by the Government/Reserve Bank of India till such time that the economic activities return to normalcy, which is highly unpredictable. The Company will continue to closely monitor any material changes to the future economic/regulatory conditions. However, operating substantially in asset mortgage business, which is relatively stable asset class, no major impact is anticipated at this juncture.

## Note 48 Corporate Social Responsibility (CSR)

The Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in promoting education including special education, setting up hostels for tribal children, Construction of class room blocks for schools, Scholarships for under privileged ,renovation of schools and anganawadis, Sponsorship of child education. The Company also focuses on healthcare by donating advanced medical equipment's to various hospitals. To promote eradicating hunger, Company has contributed for mid day meals at schools through Akshaya Patra Foundation. The company donated Relief materials to Cyclone and Flood affected areas. To promote Environmental Sustainability, donation of tree saplings, Contribution towards "Cauvery Calling", a campaign to revitalize the southern Indian river Cauvery by planting trees in the river basin was undertaken. Contribution to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES),Karnataka State Disaster management Authority, CM Relief Fund, Karnataka during COVID-19 pandemic, also forms part of its CSR activities.

The activities undertaken by the Company under CSR is Pan India basis and the projects are executed by Registered Office and our branches in those areas. The total amount/ budget under CSR for the FY 2021-22 was ₹ 1,070.00 lakhs and undisbursed amount of Preceding years is ₹ 173.37 lakhs. The total amount spent under the CSR activities in FY 2021-22 is ₹ 825.51 lakhs (Including ₹ 166.19 lakhs- of preceding years). The balance amount of ₹ 410.68 lakhs which is already sanctioned in the FY 2021-22 will be transferred to unspent CSR account as per provisions of Companies Act and will be disbursed as per the progress of the work. The summary of CSR details as on March 31, 2022 is given below:

(₹ in Lakhs)

| Activities undertaken | for the year ending March 31, 2022 | | for the year ending March 31, 2021 | |
|---|---|---|---|---|
| | No. of Beneficiaries | Amount Spent | No. of Beneficiaries | Amount Spent |
| Animal welfare | 1 | 7.18 | - | - |
| Conservation of Natural Resources | 4 | 13.67 | - | - |
| Construction/ repair & renovation of Schools/ Hostels | 18 | 157.63 | 7 | 187.22 |
| Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women. | 1 | 100.00 | - | - |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 48 Corporate Social Responsibility (CSR) (Contd.)

(₹ in Lakhs)

| Activities undertaken | for the year ending March 31, 2022 | | for the year ending March 31, 2021 | |
|---|---|---|---|---|
| | No. of Beneficiaries | Amount Spent | No. of Beneficiaries | Amount Spent |
| Desks & benches/Tables/Almirah/Green Board/Chairs etc. | 8 | 17.13 | 2 | 6.19 |
| Drinking water facility/supply of other articles of necessity etc. | 2 | 8.41 | 2 | 2.40 |
| Scholarship to students and sponsorship of child education | 11 | 89.06 | 8 | 77.82 |
| Equipments/Medical vans to Hospitals | 20 | 326.91 | 20 | 289.24 |
| Equipments to old age homes | 3 | 14.17 | 7 | 23.71 |
| Disaster Management | | | 2 | 500.00 |
| Providing education materials including books, school bags, etc. to the poor children of government schools or schools situated in rural/backward areas. | 3 | 11.20 | - | - |
| Providing training facilities to enhance vocational skills to the poor section of the society. | 2 | 15.70 | - | - |
| Renewable energy Projects | 3 | 24.96 | - | - |
| Supplementing of Govt-schemes like mid- day meal by Corporates through additional nutrition | 1 | 4.50 | - | - |
| Provide financial support for creating healthcare infrastructure for COVID care, establishment of medical oxygen generation and storage plants, manufacturing and supply of oxygen concentrators, cylinders and other medical equipment for countering Covid-19 | 1 | 26.00 | - | - |
| Promoting Tribal Sports | 1 | 9.00 | 1 | 21.00 |
| Provision has been created for the unspent amount | | 417.86 | | |
| **Total** | **79** | **1,243.37** | **49** | **1,107.58** |

Following shall be disclosed with regard to CSR activities:-

| | |
|---|---|
| a) amount required to be spent by the company during the year | 1070.00 |
| (b) amount of expenditure incurred | 659.32 |
| (c) shortfall at the end of the year | 410.68 |
| (d) total of previous years shortfall | 7.18 |
| (e) reason for shortfall | For shortfall amount of ₹ 417.86 lakhs (point c+d) provision has been created. |
| (f) nature of CSR activities | Promoting Education, Health Care, Contribution To Government, Combat Covid -19, Welfare Measurements, Sports and Environmental Sustainability. |
| (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard. | NA |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately. | NA |

# Notes forming part of Financial Statements

for the year ended March 31, 2022

## Note 49:

Previous years figures have been re-arranged/ regrouped wherever necessary to correspond with the current year's classification/ disclosure

As per our report of even date attached

**For B. K Ramadhyani & Co LLP**
Chartered Accountants
FRN:- 002878S/S200021

**C R Deepak**
Partner
Membership No: 215398

**For B Srinivasa Rao & Co.,**
Chartered Accountants
FRN:- 008763S

**Anand M R**
Partner
Membership No: 227336

Place: Bengaluru
Date: 29.04.2022

For and on behalf of the Board of Directors

**L V Prabhakar**
Chairman
DIN: 08110715

**Girish Kousgi**
Managing Director & CEO
DIN: 08524205

**Naganathan Ganesan**
Director
DIN: 00423686

**Prashanth Joishy**
Chief Financial Officer

**Veena G Kamath**
Company Secretary

# Related Party Transactions Policy

## 1. Brief Background:

Security Exchange Board of India (SEBI) vide its circular No.CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014, read with circular No.CIR/CFD/POLICY CELL/7/2014 dated 15 September 2014 has amended clause 35B and 49 of the listing agreement and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015. In terms of the said circular and as per Reg.23 of SEBI (LODR) Regulation, 2015, it is mandatory for the listed entities to formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

Can Fin Homes Limited is a public limited company incorporated on October 29, 1987 under the Companies Act, 1956 (Corporate Identity Number L85110KA1987PLC008699). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited and as such the provisions of the listing agreements entered into by the Company with the said stock exchanges (hereinafter collectively referred to as the 'Listing Agreements') for equity shares, are applicable and binding on it. In addition to the above SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 and amendments thereto is also applicable to the Company.

## 2. Objective of the Policy

The policy is framed as per requirements of Regulation 23 of SEBI(LODR) Regulations, 2015 and intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. Such transactions shall be appropriate only, if they are in the best interest of the Company and its shareholders.

## 3. Scope of the Policy

During the course of its business, the Company enters into transactions with various entities. Some of the transactions were deemed to be 'Related Party Transactions' as per the Indian Accounting Standards on Related Party Disclosures (Ind AS 24), as notified by the Companies (Indian Accounting Standards) Rules, 2015. Such transactions were duly disclosed in the Annual Reports of the Company. The policy shall be applicable to the transactions made with:

a) Board of Directors and their relatives;

b) Key managerial Personnel (KMP) of the Company and their relatives; and

c) Related parties, as defined under section 2 (76) of the Companies Act 2013 and as amended from time to time and the Regulation 2(1)(zb) of SEBI(LODR) Regulations, 2015.

The parties are considered to be related, if, one party has ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions. The description of the related parties is furnished in "Appendix-1 – Definitions of various terms used in the policy".

## 4. Transactions are considered as related party transactions:

Following types of the transactions considered as related party as per section 188 of Companies Act 2013:

(a) sale, purchase or supply of any goods or materials;

(b) selling or otherwise disposing of, or buying, property of any kind;

(c) leasing of property of any kind;

(d) availing or rendering of any services;

(e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

(g) underwriting the subscription of any securities or derivatives thereof, of the company.

Types of the transactions considered as related party as per Reg.2(1)(zc) of SEBI(LODR) Regulations, 2015 and Ind AS-24, notified under Companies (Indian Accounting Standards) Rules, 2015.

Transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged, whether single transaction or group of transactions in a contract.

Types of the transactions considered as related party as per Indian Accounting Standard 24 :

(a) Purchases or sales of goods (finished or unfinished);

(b) Purchases or sales of fixed assets;

(c) Rendering or receiving of services;

(d) Agency arrangements;

(e) Leasing or hire purchase arrangements;

(f) Transfer of research and development;

(g) License agreements;

(h) Finance (including loans and equity contributions in cash or in kind);

(i) Guarantees and Collaterals; and

(j) Management contracts including for deputation of employees.

In addition to the above, following transactions between the related parties shall also be considered as related party transactions:

(a) Borrowings

(b) Deposit

(c) Placement of deposits

(d ) Advances

(e) Investments

(f) Non-funded commitments

(g) Leasing/HP arrangements availed

(h) Leasing/HP arrangements provided

( i ) Purchase of fixed assets

( j ) Sale of fixed assets

( k ) Interest paid

( l ) Interest received

## 5. Identification of potential related party transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee, any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/ Audit Committee may reasonably request. The Audit Committee will determine

whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The notice of any such potential Related Party Transaction should be given to the Board/Audit Committee well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

## 6. Process for ascertaining related party

The Accounts Dept. shall prepare a list of related party on the basis of information collected from the related parties as on 31st of March every year and as and when any person or entity becomes related party, in terms of this policy and declarations received. The related party list shall be updated whenever necessary and shall be reviewed at periodical intervals.

The internal Auditors/Statutory Auditors are required to verify the process of ascertaining the related parties and their correct recording/ listing in register of Contracts/ arrangement etc. as well as their classification regarding whether they are on arm's length basis.

The list of the related parties shall be circulated among the branches and any transactions with the related parties shall be carried out as per the Related Party Transaction policy.

## 7. Approval of Related Party Transaction:

Approval of Related party transactions by Audit Committee of the Board: All related Party Transactions proposed to be entered into by the Company shall require prior approval of Audit Committee except those transactions exempted by the committee through omnibus specific approval. All "Material" related party transactions shall require approval of the shareholders through special resolution and no related party shall vote to approve such resolutions. However, this shall not be applicable in the following cases. Transactions entered into between two government companies;

(a) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Approval of the Board of Directors: All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of

the Audit Committee also require approval of the Board of Directors of the Company.

Approval of Shareholder: All the Material Related Party Transactions (as per Reg.23 of SEBI(LODR) Regulations, 2015) and Related Party Transactions exceeding the threshold limits, whether or not in the ordinary course of business of the Company or on an arm's length basis, shall require prior approval of the Audit Committee, the Board and the shareholders of the Company by way of Special Resolution and no related party shall vote to approve such resolution. The shareholders' approval shall not be required in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

In the following cases the prior approval of the Company by a resolution is required whenever a company is entering into a transaction, and such transaction is contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 of the Companies Act, 2013:

i) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the turnover of the company as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;

ii) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the company as mentioned in clause (b) and clause (e) respectively of sub- section (1) of section 188;

iii) Leasing of property of any kind amounting to 10% or more of turnover as mentioned in clause (c) of sub-section (1) of section 188;

iv) Availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188.

Omnibus approval by the Audit Committee:

In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/sharing of services with Subsidiary/Associate Companies), the Audit Committee may consider grant of an omnibus approval for such Related Party Transactions proposed to be entered into by the Company, subject to the following conditions:

a. The Audit Committee shall lay down the criteria for granting such omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

b. The Audit Committee shall satisfy itself that the need for such omnibus approval and that such approval is in the business interest of the Company.

c. Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price or current contracted price and the formula for variation in the price, if any and (iii) such other conditions as the Audit Committee may deem fit;

Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 Cr (Rupees One Crore only) per transaction.

The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

Such omnibus approval shall be valid for a period not exceeding 1 (one) year and shall require fresh approval after the expiry of 1 (one) year from the date of the original approval granted by the Audit Committee, from time to time.

In terms of Schedule II Part C Para B point 2 of SEBI(LODR) Regulations, 2015, the Audit Committee shall review the statement containing significant Related Party Transactions. The threshold limit for determining significant Related Party Transactions will be the same as applicable for Material Related Party Transactions under Explanation to Reg.23(1) of SEBI(LODR) Regulations, 2015, as amended from time to time.

## 8. Procedure of seeking approval of Related Party Transaction

As and when any transaction is contemplated with any Related Party, the concerned office entertaining the request shall submit to the Accounts Dept. RO, the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis in an ordinary course of business at prevailing market rate. The Accounts Department at RO shall appropriately take it up for necessary prior approvals from the Audit Committee at its

next scheduled meeting and convey back the decision to the originator.

If the proposed transaction is not in ordinary course of business but at arm's length basis, then the branch/office shall give a detailed note with justification to Accounts Department RO, for entering such transaction along with details of proposed transaction with draft agreement/ MoU/other supporting documents. Based on the note the Accounts Department at RO, shall escalate the matter for necessary approvals of the Audit Committee/Board/Share Holders as may be applicable.

The Accounts Department at RO, shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential related Party Transaction.

a) A General Description of the transactions

b) The name of the related party and the basis on which such party is a related party.

c) The related party interest in the transaction(s)

d) The approximate rupee value

e) In case of lease or other transaction providing for periodic payments or instalments, the aggregate amount of all period payments of instalments expected to be made.

f) In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.

g) Any other material information regarding the transaction(s) or the related party's interest in the transactions.

## 9. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recluse himself or herself and abstain from discussion and shall not vote to approve the relevant transaction.

To review a Related Party Transaction, the Committee will be provided with all, relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

a. Any transaction that involves providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

## 10. Related Party Transactions without the prior approval under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy.

## 11. Disclosures

The Company shall keep a register in the prescribed form giving the full particulars of contracts or arrangements in

respect of all RPTs approved by the Audit Committee and the gist of such contracts/RPTs shall be placed before the Board periodically.

Necessary disclosures shall be made in the Annual Financial Statements as required under Ind AS-24 and RBI guidelines. Further, as required under Para A of Schedule V of SEBI(LODR) Regulations, 2015 necessary details of all materially significant related party transactions which may have potential conflict with the interests of the Company at large, shall also be also given in Report on Corporate Governance section in Annual Report.

As per Point 2A of Para A of Schedule V of SEBI(LODR) regulations, 2015 disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance.

The Company shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual Report.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

## 12. Records relating to Related Party/Supporting documents

All disclosures, supporting documents shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Accounts Dept. and any other person authorized by the Board for the purpose.

Agreement or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate shall also be preserved for a period of 8 years from the end of the financial year to which it relates and shall be kept in the custody of the Board and/or any other person authorized by the Board for the Purpose.

## 13. Interpretation

In any circumstances where the terms of these policies and procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedure until such time as these policies and procedures are changed to conform to the law, rule, regulation or standard.

## 14. Secrecy Provisions

In terms of paragraph 4A and 4B of Indian Accounting Standard 24, Related party disclosure requirements as laid down in this Standard do not apply in circumstances where providing such disclosures would conflict with the reporting entity's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority. In case a statute or a regulator or a similar competent authority governing an entity prohibits the entity to disclose certain information which is required to be disclosed as per this Standard, disclosure of such information is not warranted. For example, banks are obliged by law to maintain confidentiality in respect of their customers' transactions and this Standard would not override the obligation to preserve the confidentiality of customers' dealings.

## 15. Review of Related Party Transaction Policy.

The Related Party Transaction Policy is a part of Corporate Governance Policy. Therefore, the same has to be reviewed at periodical intervals by the Board as per the Transactions.

# Annexure 1 – Definitions

## a. Arm's Length Transaction

Explanation to Section 188(1)(b) of the Companies Act, 2013 defines an "arm's length transaction" to mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

## b. Associate Company

**A. Companies Act, 2013:**

In terms of Section 2(6) of the Companies Act, 2013 "Associate Company" in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

"significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

"joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

**B. Listing Agreement SEBI(LODR) Regulations, 2015:**

As per Reg.2(1)(b) of SEBI(LODR) Regulations, 2015 "associate" shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

## c. Audit Committee

The term "Audit Committee" means the committee of Board of Directors of the Company constituted in accordance with the provisions of Reg. 18 of SEBI(LODR) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

## d. Material Related Party Transaction

In terms of Explanation to Reg.23(1) of SEBI(LODR) Regulations,2015, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

In terms Reg.23(1A) of SEBI(LODR) Regulations,2015 notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

## e. Related Party

**A. Companies Act, 2013:**

The term Related Party has been defined under Section 2(76) of the Companies Act, 2013 as follows-

Related Party with reference to a Company means –

(i) a Director or his relative;

(ii) a Key Managerial Personnel or his relative;

(iii) a firm, in which a Director, Manager or his relative is a partner;

(iv) a private company in which a Director or Manager is a member or director;

(v) a public company in which a Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;

(vi) any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;

(vii) any person on whose advice, directions or instructions a Director or Manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any Company which is —

(A) a holding, subsidiary or an associate company of such company; or

(B) a subsidiary of a holding company to which it is also a subsidiary;

(C) an investing company or the venture of the Company

Explanation- For the purpose of this clause, "the investing company or the venture of a Company" means a body corporate whose investment in the Company would result in the Company becoming an associate company of the body corporate.

(ix) such other person as may be prescribed;

Rule 3 of the Companies (Specification of definitions details) Rules, 2014, provides that a Director or Key Managerial Personnel of the holding company or his relative with reference to a company shall also be deemed to be a related party.

**C. SEBI(LODR) Regulations,2015**

The term Related Party has been defined under Regulation 2(1)(zb) of SEBI(LODR) Regulations,2015 as follows:

"related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

**D. Accounting Standard:**

As per Ind AS-24 pertaining to Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006, a Related Party is defined as follows -

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

## f. Related Party Transaction

Reg.2(1)(zc) of SEBI(LODR) Regulations, 2015 Clause 49(VII)(A) of the Listing Agreements defines a "Related Party Transaction" means to be a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

## g. Relative

In terms of Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014 a person is said to be a relative of another, if -

a. They are members of a Hindu Undivided Family;

b. They are husband and wife;

c. Father (including step-father);

d. Mother (including step-mother);

e. Son (including step-son);

f. Son's wife;

g. Daughter;

h. Daughter's husband;

i. Brother (including step-brother); or

j. Sister (including step-sister).

## I. List of Branches, AHLCs & SOs

**1. Agra**
CAN FIN HOMES LTD
No.7/9, 1st Floor,
Sector 9, Awas Vikas Colony,
Near Kargil Petrol Pump,
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E-mail id:agra@canfinhomes.com

**2. Ahmedabad**
CAN FIN HOMES LTD
No.203, Samedh Building,
Second Floor, C G Road,
Near Associated Petrol Pump,
Ahmedabad - 380006
Ahemdabad
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**3. Ajmer**
CAN FIN HOMES LTD
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Opp. Balupura Road, Adarsh Nagar,
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Rajasthan
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**4. Ambala**
CAN FIN HOMES LTD
Showroom No.4, First Floor,
Prem Nagar, Old Delhi Road,
Ambala - 134003
Haryana
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E-mail id:ambala@canfinhomes.com

**5. Allahabad**
CAN FIN HOMES LTD
First floor, 43/10, Sardar Patel Marg,
Civil Lines, Allahabad - 211001,
Uttar Pradesh
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**6. Baroda**
CAN FIN HOMES LTD
No.235, Second Floor,
Kanha Capital, Opp.Express Hotel,
R C Dutt Road, Alkapuri,
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**7. Belgaum**
CAN FIN HOMES LTD
CTS No.3980/C, Ground Floor,
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Belagavi - 590002,
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**8. Bhopal**
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Plot No 1, 1st Floor, Zone 2,
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**9. Bhubaneswar**
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**10. BLR – Begur**
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**11. BLR – Bidadi**
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**12. BLR-Devanahalli**
CAN FIN HOMES LTD
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**13. BLR – Electronic City**
CAN FIN HOMES LTD
"VIJAY ICON" Sr.No.61/11,
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**14. BLR-Hesaraghatta road**
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60 feet Road, Bagalagunte,
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**15. BLR – HRBR Layout**
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**16. BLR-Jayanagar**
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**17. BLR – K R Puram**
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**18. BLR – Kanakapura Road**
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**19. BLR-Kengeri**
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**20. BLR-Koramangala**
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**21. BLR-Marathahalli**
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**22. BLR-Nelamangala**
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**25. BLR-Uttarahalli**
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Bengaluru - 560061
Karnataka
Ph: 080 26394003/26394009
Email id:uttarahalli@canfinhomes.com

**26. BLR-Vijayanagar**
CAN FIN HOMES LTD
No 148/E,I Floor,
Siddalingeswara Towers,
17th MAIN, East Of Chord Road,
Vijayanagar, Bengaluru - 560040
Karnataka
Ph: 080 23404965/23359162
Email id:vijayanagar@canfinhomes.com

**27. Calicut**
CAN FIN HOMES LTD
18/1145 D, Ist Floor,
K T Commercial Complex,
Jail Road, Calicut - 673004
Kerala
Ph:-0495-2704883/2704884
Email id: calicut@canfinhomes.com

**28. Coimbatore**
CAN FIN HOMES LTD
439, Lawrance Complex,
Cross Cut Road, Gandhipuram,
Coimbatore - 641012
Tamil Nadu
Ph: 0422 2235977/2230163
Email id:coimbatore@canfinhomes.com

**29. CBE-P N Palyam**
CAN FIN HOMES LTD
APR Complex, No.125, LMW Road,
Periyanaikenpalayam,
Coimbatore - 641020
Tamil Nadu
Ph: 0422 - 2693235
Email id: pn.palyam@canfinhomes.com

**30. Chandigarh**
CAN FIN HOMES LTD
SCO-87, I Floor Sector 47-D,
Chandigarh - 160047
Punjab
Ph: 0172 2632925, 2632097
Email id: chandigarh@canfinhomes.com

**31. CHN-Ambattur**
CAN FIN HOMES LTD
Old No.29A, New No.7A,
Ground Floor, High School Road,
Secretariat Colony, Ambattur,
Chennai - 600053
Tamil Nadu
Ph: 044-26572050
Email id:ambattur@canfinhomes.com

**32. CHN-Anna Salai**
CAN FIN HOMES LTD
NO.770/A, Spencer Tower Annexe,
Anna Salai, Chennai - 600002
Tamil Nadu
Ph: 044 28497026/28496318
Email id:chennai@canfinhomes.com

**33. CHN-Chengalpattu**
CAN FIN HOMES LTD
Plot No.28, Ground Floor,
Lawyer Krishnaswamy Street,
Vedachalam Nagar,
Chengalpattu - 603001,
Tamil Nadu
Ph :044 27426466
Email id:chengalpattu@canfinhomes.com

**34. CHN-Perungudi**
CAN FIN HOMES LTD
No.14, I Floor, Old Mahabalipuram Road,
Kandanchavadi, Perungudi,
Chennai - 600096
Tamil Nadu
Ph: 044-24965656
Email id:omr@canfinhomes.com

**35. CHN-Porur**
CAN FIN HOMES LTD
Plot No.66A, First Floor,
Samayapuram Main Road,
Karambakkam, Porur,
Chennai - 600116,
Tamil Nadu
Ph: 044 22520032
Email id: porur@canfinhomes.com

**36. CHN-Red Hills**
CAN FIN HOMES LTD
No.7, Madhavaram High Road,
(Off GNT Road), Red Hills,
Chennai-600052
Kerala
Ph: 044 26322077
E-mail id: redhills@canfinhomes.com

**37. CHN-Sriperumbudur**
CAN FIN HOMES LTD
No.122 -123, I Floor,
XVB Building, Gandhi Road,
Sriperumbudur - 602105
Tamil Nadu
Ph: 044 - 27162188
E-mail id: sriperumbudur@canfinhomes.com

**38. CHN-Tambaram**
CAN FIN HOMES LTD
No.52, 1st Floor, Raj Kamal Complex,
Gandhi Road, Tambaram West
Chennai-600045
Tamil Nadu
Ph: 044 22260600/22260640
Email id:tambaram@canfinhomes.com

**39. CHN-Thiruvallur**
CAN FIN HOMES LTD
#52, I Floor, TNHB,
Kakalur Main Road,
Thiruvallur - 602001
Ph: 044 27666161
E-mail id:thiruvallur@canfinhomes.com

**40. Cochin**
CAN FIN HOMES LTD
39/3728, Vishnupriya, Manikkiri,
M G Road, Pallimukku,
Ernakulam, Cochin-682016
Kerala
Ph:0484-2356855/2356826
Email id: cochin@canfinhomes.com

**41. Davangere**
CAN FIN HOMES LTD
D.No.633,I Floor, K B Extension,
Opp to Bellary Siddamma Park,
Trishul Talkies Road,
Davanagere – 577002
Karnataka
Ph: 08192-270345/235006
E-mail id:davangere@canfinhomes.com

**42. Dehradun**
CAN FIN HOMES LTD.
No. 46, Vivek Vihar-1,
Near Wadia Institute, GMS Road,
Dehradun - 248001,
Uttarakhand
Ph:0135 -2520242
E-mail id:dehradun@canfinhomes.com

**43. Dharuhera**
CAN FIN HOMES LTD
1st Floor, Above Rewari Co-operative
Bank, Near Hanuman Mandir,
Sohna Road, Dharuhera - 123106
Haryana
Ph: 01274 - 242381
E-mail id :dharuhera@canfinhomes.com

**44. Dindigul**
CAN FIN HOMES LTD
#91, Sona Towers, Shop no. 21-23,
Palani Road, Dindigul – 624001
Tamil Nadu
Ph: 0451 – 2433272
Email id:dindigul@canfinhomes.com

**45. Erode**
CAN FIN HOMES LTD
#64/5, GRDI Complex, Second Floor,
Perundurai Road, Erode-638011
Tamil Nadu
Ph: 0424 – 2255563
Email id:erode@canfinhomes.com

**46. Goa**
CAN FIN HOMES LTD
307&308, III Floor, Kamat Towers Patto,
Panjim – 403001
Goa
Ph :0832-2438517,2438518
Email id:goa@canfinhomes.com

**47. Guntur**
CAN FIN HOMES LTD
4-1-1, 1st floor, GAYATRI PLAZA,
Main Road, Koritipadu,
Guntur-522007
Andhra Pradesh
Ph: 0863-2333064
Email id: guntur@canfinhomes.com

**48. Gwalior**
CAN FIN HOMES LTD
1st Floor, Business Centre, Plot.No.31,
Near Income Tax, City centre,
Gwalior-474 009
Madhya Pradesh
Ph: 0751-2233865
Email id: gwalior@canfinhomes.com

**49. Hosur**
CAN FIN HOMES LTD
Door No.74, First Floor, 3rd Cross,
Kamarajar Colony, Near Balaji Theatre,
Hosur-635109
Tamil Nadu
Ph: 04344-220001/220040
Email id:hosur@canfinhomes.com

**50. Hubli**
CAN FIN HOMES LTD,
V A Kalaburagi Square,
Ground Floor, Near Vivekananad,
Hospital, Desai Cross,
Hubbali-580029
Karnataka
Ph:0836-2256390,2256464
Email id:hubli@canfinhomes.com

**51. HYD-Gachibowli**
CAN FIN HOMES LTD
D.No.2-52/88, 2nd Floor,
Sai Teja Enclave, Indira Nagar,
Gachibowli – 500032
Hyderabad
Ph: 040-23000030
Email id:gachi.bowli@canfinhomes.com

**52. HYD - Kompally**
CAN FIN HOMES LTD
1st Floor, Bindu Elegance, Plot No.01,
Sy. No.12,24, Beside D-Mart,
Above TVS Showroom,
Petbasheerbad,
Kompally – 500067
Hyderabad
Ph:040-27164210
Email id:Kompally@canfinhomes.com

**53. HYD-Kukatpally**
CAN FIN HOMES LTD
Unit No-201, Vijaya Sai Towers,
Opp: BJP Office,
Kukatpally Main Road,
Kukatpally - 500072
Hyderabad
Tel :040 – 48519188/48519288
Email id:kukatpally@canfinhomes.com

**54. HYD – LB Nagar**
CAN FIN HOMES LTD
#3-11-413/2, Shiva Ganga Colony,
LB Nagar – 500074
Hyderabad
Ph: 040 - 49501072
Email id: lbnagar@canfinhomes.com

**55. HYD-Nampally**
CAN FIN HOMES LTD
Doyen Trade House, 5-9-100
Public Garden Road,
Nampally - 500001
Hyderabad
Ph:040-23233385/23231626
Email id:hyderabad@canfinhomes.com

**56. HYD – Ramachandrapuram**
CAN FIN HOMES LTD
1st floor Plot No. 28,
Brahmarambika Colony,
Beeramguda,
Ramachandrapuram – 502032
Hyderabad
Ph: 08455 – 280777
Email id: ramachandrapuram@canfinhomes.com

**57. HYD-Tarnaka**
CAN FIN HOMES LTD
# 12-13-416/1, 2nd Floor, Street No- 1,
Tarnaka, Secunderabad-500017
Telangana
Ph: 040-27005553
Email id:taranaka@canfinhomes.com

**58. Indore**
CAN FIN HOMES LTD
'Kuber House', 162, 1st Floor,
Kanchan Bagh Main Road,
Indore – 452001
Madhya Pradesh
Ph: 0731 -2521194/95
Email id:indore@canfinhomes.com

**59. Jaipur**
CAN FIN HOMES LTD
Office Nos.S-14 to S-21, 2nd Floor,
Hawa Sadak, Geejgarh Towers,
Jaipur-302006
Rajasthan
Ph: 0141-2211644/2211645
Email id:jaipur@canfinhomes.com

**60. Jodhpur**
CAN FIN HOMES LTD
No 301, III floor, Front side,
Sabu Tower, 2nd Chopasani Road,
Jodhpur - 342001
Rajasthan
Ph: 0291-2640128
Email-Id: jodhpur@canfinhomes.com

**61. Kakinada**
CAN FIN HOMES LTD
D No 11-14-1, M U Towers, Near Balatripura,
Sundari Temple, Ramaraopeta,
Kakinada-533001
Andhra Pradesh
Ph: 0884 2377898
Email id:Kakinada@canfinhomes.com

**62. Karimnagar**
CAN FIN HOMES LTD
D.No.2-3-31, Lahoti House, 1st Floor,
Bhoiwada, Karimnagar - 505001
Ph: 0878 2243299
E-mail id: karimnagar@canfinhomes.com

**63. Karnal**
CAN FIN HOMES LTD
1st Floor, SCO-2, Sec-9, HUDA Market,
Karnal-132001, Haryana
Ph: 0814-2231555
E-mail id: karnal@canfinhomes.com

**64. Kalyan**
CAN FIN HOMES LTD
Shop No.1, First Floor,
AVM Supreme Complex,
Near D Mart, Ball Bazaar,
Kalyan West, Thane - 421301
Maharashtra
Ph: 0251 2304040
Email id: kalyan@canfinhomes.com

**65. Kanpur**
CAN FIN HOMES LTD
Ground Floor, Potdar Tower,
63/3, The Mall,
Kanpur - 208001
Uttar Pradesh
Ph: 0512 2302067
Email id: kanpur@canfinhomes.com

**66. Karur**
CAN FIN HOMES LTD
MM Complex, 1st Floor, 9/1,
Mohan Store Layout,
Near Kannan Departmental Store,
Sengunthapuram, Karur-639002
Tamil Nadu
Ph: 0432 230970
Email id:karur@canfinhomes.com

**67. Khammam**
CAN FIN HOMES LTD
D. No. 15 – 8 – 1105, First Floor,
Opp.Ganesh Temple,
Varadaiah Nagar, Mamatha Hospital Road,
Khammam - 507002
Telangana
Ph: 08742 238161
E-mail id:khammam@canfinhomes.com

**68. Kota**
CAN FIN HOMES LTD
1-C-18, SFS, Front Side, First Floor,
Sheela Choudhary Road, Talwandi,
Kota - 324005
Rajasthan
Ph: 0744 2426600
Email id:kota@canfinhomes.com

**69. Kumbakonam**
CAN FIN HOMES LTD
No. 137, First Floor, Gandhi Adigal Salai,
Kumbakonam – 612001
Tamil Nadu
Ph: 0435 2400021
E-mail id:Kumbakonam@canfinhomes.com

**70. Kurnool**
CAN FIN HOMES LTD
Shop No. 18 & 19, First Floor,
T. J. Shopping Mall, SBI Circle,
R. S. Road, Kurnool - 518004
Andhra Pradesh
Ph: 08518 222335
E-mail id:kurnool@canfinhomes.com

**71. Lucknow**
CAN FIN HOMES LTD
B-3, UGF Deekay Towers,
Gomti Nagar Road, Vibhuthi Khand
Gomti Nagar
Lucknow - 226010
Uttar Pradesh
Ph: 0522 4065123/2230331
E-mail id:lucknow@canfinhomes.com

**72. Madurai**
CAN FIN HOMES LTD
564/1, Ground Floor, Sakthi Towers,
12th East Cross Street,
Behind Naveen Bakery,
Anna Nagar, Madurai-625020
Tamil Nadu
Ph: 0452 2524400/2539799
E-mail id:madurai@canfinhomes.com

**73. Mandya**
CAN FIN HOMES LTD
No.1689, 1st Floor,
100 Feet Road (Double Road),
Vidyanagar, Mandya - 571401
Karnataka
Ph: 0823 2222454
E-mail id:mandya@canfinhomes.com

**74. Mangalore**
CAN FIN HOMES LTD
Ground Floor, Canara Bank Building,
Balmatta Road, Mangaluru-575001
Karnataka
Ph: 0824 2440193/2442593
E-mail id:mangalore@canfinhomes.com

**75. Meerut**
CAN FIN HOMES LTD
#5,Pinnacle Tower First,
Floor Vaishali Corner, Ghar Road
Meerut - 250002
Uttar Pradesh
Ph:0121-4060006
E-mail id:meerut@canfinhomes.com

**76. MUM-Borivali**
CAN FIN HOMES LTD
No.101, First Floor,
'Ganjawalla Elegance",
Opp State Bank of Patiala,
Ganjanwalla Lane, Borivali West,
Mumbai - 400092
Maharashtra
Ph: 022 28924369/28925385
E-mail id:mumbai@canfinhomes.com

**77. MUM- Panvel**
CAN FIN HOMES LTD
No.101, 1st Floor , Junction 406/1B,
Takka Road, New Panvel - 410206
Maharashtra
Ph: 022-27459355
E-mail id: panvel@canfinhomes.com

**78. MUM-Vashi**
CAN FIN HOMES LTD
"GIRIRAJ", I Floor,SS-4/210 & 212
(Opp Meghraj Multiplex),
Sector-2, Vashi,
Navi Mumbai - 400703
Maharashtra
Ph:022-27820168/27820169
E-mail id:navimumbai@canfinhomes.com

**79. Mysuru**
CAN FIN HOMES LTD
No. 16, 1st Floor, Sita Vilas Road,
Near Marimallappa School,
Chamaraja Mohalla, Mysuru-570024
Karnataka
Ph:0821 2429699/2422377
Email id:mysore@canfinhomes.com

**80. Nagpur**
CAN FIN HOMES LTD
Plot No.M-3, First Floor,
West Side WHC Main Road,
Near Aath Raasta Square,
Scientific Layout,
Laxminagar, Nagpur - 440022
Maharashtra
Ph: 0712 2233898
E-mail id: nagpur@canfinhomes.com

**81. Namakkal**
CAN FIN HOMES LTD
No.387/1, Aarthi Complex, 1st Floor,
Salem Road, Namakkal - 637001
Tamil Nadu
Ph: 04286-274252
E-mail id: namakkal@canfinhomes.com

**82. Nashik**
CAN FIN HOMES LTD
No.F-12, First Floor, Suyojit Sankul,
Above Bafna Jewellers, Sharanpur,
Nashik – 422002
Maharashtra
Ph: 0253 2318305
E-mail id: nashik@canfinhomes.com

**83. NCR-Faridabad**
CAN FIN HOMES LTD
# 59-60, I Floor, Neelam Bata Road,
NIT, Opp. RG Stone Hospital,
Faridabad - 121001
Haryana
Ph: 0129 2436596/2436527
E-mail id:faridabad@canfinhomes.com

**84. NCR-Gurgaon**
CAN FIN HOMES LTD
SCO No. 34 & 35, I Floor,
Sector 10-A, (Above Canara BANK)
Gurugram - 122002
Haryana
Ph:0124-2370760
E-mail id:gurgaon@canfinhomes.com

**85. NCR-New Delhi**
CAN FIN HOMES LTD
1st Floor, DDA BUILDING,
Near Paras Cinema, Nehru Place,
New Delhi - 110019
Ph: 011 26435815/26430236
Email id: delhi@canfinhomes.com

**86. NCR-Noida**
CAN FIN HOMES LTD
Plot No. C-3, 1st Floor (Above Canara Bank),
Sector - 1, Noida - 201301
Uttar Pradesh
Ph: 0120 2970164 / 65 / 67
Email id: noida@canfinhomes.com

**87. NCR-Pitampura**
CAN FIN HOMES LTD
DP-11,1st flr, Local Shopping Complex,
Above CB E-lounge Pitampura,
New Delhi-110034
Ph: 011 27315619
E-mail id:pitampura@canfinhomes.com

**88. NCR-Rohtak**
CAN FIN HOMES LTD
1st Floor, Anand Plaza, Shop No.104,
Near Chottu Ram Chowk,
Rohtak - 124001
Haryana
Ph: 01262 257852
E-mail id:rohtak@canfinhomes.com

**89. NCR-Sonepat**
CAN FIN HOMES LTD
SCO-3, First Floor,
Main Market, Sector -14,
Sonepat - 131001
Haryana
Ph: 0130-2235101
E-mail id:sonepat@canfinhomes.com

**90. NCR - Greater Noida**
CAN FIN HOMES LTD
Shop. No - 4, 4th Floor, Plot No - 3,
S L Towers, Alpha - I, Opp. Golf Course,
Greater Noida – 201308
Uttar Pradesh
Ph: 0120 4569974
E-mail id:greaternoida@canfinhomes.com

**91. Nellore**
CAN FIN HOMES LTD
Plot No. 14, First Floor,
Sree Krishna Building,
Aditya Nagar, Above Josh Bakery,
Children's Park Road,
Nellore - 524002,
Andhra Pradesh
Ph: 0861 2334781
E-mail id:nellore@canfinhomes.com

**92. Ongole**
CAN FN HOMES LTD
D no.7-331(4), 1st Floor,
above State Bank of Mysore
Mangamooru Donka,
Ongole – 523002
Andhra Pradesh
Ph: 08592 282023
E-mail id: ongole@canfinhomes.com

**93. Patna**
CAN FIN HOMES LTD
"Deep House", 2nd Floor,
Nala Road (Near Shiva Mandir),
Patna - 800004
Bihar
Ph: 0612 2721046,2721047
Email id: patna@canfinhomes.com

**94. Pondicherry**
CAN FIN HOMES LTD
Door No.115, 1st Floor,
Vysial Street, Pondicherry - 605001
Tamil Nadu
Ph: 0413 2338447/2222118
E-mail id:pondicherry@canfinhomes.com

**95. Pune**
CAN FIN HOMES LTD
101, UMA Apartment, CTS-2027,
Tilak Road,Near S P College,
1st Floor, Sadashivpet ,
Pune - 411030
Maharashtra
Ph:020 24321030/24321031
Email id: pune@canfinhomes.com

**96. Raipur**
CAN FIN HOMES LTD
Sai Towers Building, I floor,
Besides Azad Chowk Police Station,
Amapara,G E Road,
Raipur - 492001
Chhattisgarh
Ph:0771 2531100/4097077
Email id:raipur@canfinhomes.com

**97. Rajahmundry**
CAN FIN HOMES LTD
D No:75-6-38, 1st floor, BVR Complex,
Prakash Nagar,
Rajahmundry - 533103
Andhra Pradesh
Ph: 0883 2474781
Email id: rajahmundry@canfinhomes.com

**98. Salem**
CAN FIN HOMES LTD
#1,Johnson pet Road,
Hastampatty,
Salem- - 636007
Tamil Nadu
Ph: 0427 2420017
Email id: salem@canfinhomes.com

**99. Shimoga**
CAN FIN HOMES LTD
No.599, 1st Floor, Maruthi,
60 Feet Main Road,
Police Chowki Circle,
Vinobanagar, Shivamogga - 577 204
Karnataka
Ph: 08182 254110
E-mail id:shimoga@canfinhomes.com

**100. Thoothukudi**
CAN FIN HOMES LTD
No. 69D/4, Diya Corner, First Floor,
Second Street,
Thoothukudi - 628003
Tamil Nadu
Ph: 0461 2333636
E-mail id:Thoothukudi@canfinhomes.com

**101. Tiruchengode**
CAN FIN HOMES LTD
No.86/17, Royal Towers,
Sankari Main road,
Seetarampalayam (Post)
Tiruchengode – 637209
Tamil Nadu
Ph: 04288-255057
E-mail id:tiruchengode@canfinhomes.com

**102. Tirunelveli**
CAN FIN HOMES LTD
Thiripura Arcade, III Floor, No.75-A,
Trivandrum High Road,
Palayamkottai,
Tirunelveli – 627002
Tamil Nadu
Ph: 0462 2578567
E-mail id:tirunelveli@canfinhomes.com

**103. Tirupathi**
CAN FIN HOMES LTD
D No.19-8-169, SBI Colony,
Near Vijaya Bharathi TVS Show Room
Tirupathi – 517501
Andhra Pradesh
Ph: 0877 2242692
E-mail : tirupathi@canfinhomes.com

**104. Tirupur**
CAN FIN HOMES LTD
No.302/3, First Floor, Above Canara Bank,
Palladam Road,
Tirupur 641604
Tamil Nadu
Ph: 0421 2215977
E-mail: tirupur@canfinhomes.com

**105. Trichur**
CAN FIN HOMES LTD
1ST Floor, MARVA ARCADE,
Machingal Lane, M G ROAD,
Trichur-680001
Kerala
Ph: 0487 2332421/2331952
Email id: trichur@canfinhomes.com

**106. Trichy**
CAN FIN HOMES LTD
B-11,2nd floor, star Towers
Thillai Nagar,
Trichy-620018
Tamil Nadu
Ph: 0431-2744100/2744200
Email id: trichy@canfinhomes.com

**107. Trivandrum**
CAN FIN HOMES LTD
No.28/2452, Ground Floor, M G Road,
Trivandrum-695001
Kerala
Ph:0471-2477446/2461446
Email id: trivandrum@canfinhomes.com

**108. Tumkur**
CAN FIN HOMES LTD
No.416, 1st Floor, 32nd Cross,
SIT Main Road
Tumakuru-572103
Karnataka
Ph:0816-2251514
Email id: tumkur@canfinhomes.com

**109. Udaipur**
CAN FIN HOMES LTD.
No-101, First Floor,
Plot No-643, Subhash Villa Hiranmagri
Sec 13, Udaipur-313001
Rajasthan
Ph:0294-2485770
E-mail id:Udaipur@canfinhomes.com

**110. Udupi**
CAN FIN HOMES LTD
"Shri Malshi" 1st Floor, Court Back Road,
Udupi – 576101,
Karnataka
Ph: 0820 – 2520644
E-mail id: udupi@canfinhomes.com

**111. Varanasi**
CAN FIN HOMES LTD
D-58/12, A-2, Second Floor,
"Jasmaa' Complex, Above Ksheer Sagar,
Gandhinagar, Sigra, Varanasi –221010
Uttar Pradesh
Ph: 0542 2220221
E-mail id:varanasi@canfinhomes.com

**112. Vellore**
CAN FIN HOMES LTD
Door No. 08, First Floor, Sri Balaji Nagar,
3rd Street, Katpadi, Vellore – 632007,
Tamil Nadu
Ph: 0416 2242013
E-mail id:vellore@canfinhomes.com

**113. Vijayawada**
CAN FIN HOMES LTD
1st Floor, D No.40-5-19/17,
Near Siddhartha College Bus Stop,
Mogalrajpuram, Vijayawada-520010
Andhra Pradesh
Ph:0866-2474781/2481731
Email id: vijaywada@canfinhomes.com

**114. Virudhunagar**
CAN FIN HOMES LTD
Door No.7/3 B, First Floor,
A P V Complex,
Pullukaoorani Road,
Virudhunagar – 626001
Tamil Nadu
Ph: 04562-246566
E-mail id:virudhunagar@canfinhomes.com

**115. Visakhapatnam**
CAN FIN HOMES LTD
Gnd floor, DN: 48-8-4,
Chaitanya College Lane,
Dwarakanagar,
Visakhapatnam-530016
Andhra Pradesh
Phone: 0891-2746736, 2591167
E-mail id:visakhapatnam@canfinhomes.com

**116. Vizag Steel Plant**
CAN FIN HOMES LTD
D.No.31- 27 -56/7, 1st Floor,
Opp. Annapurna Theatre,
Kurmannapalem,
Visakhapatnam – 530046
Andhra Pradesh
Ph: 0891 2747599
E-mail id:vizagsteelplant@canfinhomes.com

**117. Vizianagaram**
CAN FIN HOMES LTD
Plot No. 8 D.No.8-12-5, Ground Floor,
Opp. CTO Office, Siddharthanagar,
Vizianagaram – 535002
Andhra Pradesh
Ph: 08922 237599
E-mail id:Vizianagaram@canfinhomes.com

**118. Warangal**
CAN FIN HOMES LTD
Kandakatla's Gateway,
H No.15-11-503 & 504K U Road,
Naimnagar, Hanamkonda,
Warangal – 506001
Telangana
Ph: 0870-2442166
E-mail id:warangal@canfinhomes.com

**119. Ghaziabad**
CAN FIN HOMES LTD
C-18, First Floor, RDC, Rajnagar,
Ghaziabad, NCR-Ghaziabad – 201002
Uttar Pradesh
Ph: 0120 2825555
E-mail id:ghaziabad@canfinhomes.com

**120. Gollapudi**
CAN FIN HOMES LTD
D No.76-14-95/11, 1st Floor,
APSRTC Workshop Road,
Bhavanipuram Gollapudi,
Vijayawada – 520012
Andhra Pradesh
Ph: 0866 6888668
E-mail id:gollapudi@canfinhomes.com

**121. Mansarovar**
CAN FIN HOMES LTD
23/49, I Floor, Near Cricket Stadium,
Madhyam Marg, Mansarovar,
Mansarovar, Jaipur – 302020
Rajasthan
Ph: 0141-2399862/2399863
E-mail id:mansarovar@canfinhomes.com

**122. Yelahanka**
CAN FIN HOMES LTD
No.1099, 1st Floor, 1st B Main Road,
16th B Cross, Yelahanka,
Bengaluru-560064
Karnataka
Ph:080-28564502
E-mail id:yelahanka@canfinhomes.com

**123. Hassan**
CAN FIN HOMES LTD
EWS-321, 1st Flr,SLR Complex,
9th Cross, Opp Mini Vidhanasoudha,
1st Stage, Kuvempunagar Extension,
Hassan-573201
Karnataka
Ph: 08172-263326
Email Id:hassan@canfinhomes.com

**124. Jabalpur**
CAN FIN HOMES LTD
78, 1st Flr, J R Sama Complex,
Naramada Road,
Jabalpur-482001
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Ph. No.: 0761-2411886
Email Id:jabalpur@canfinhomes.com

**125. Bilaspur**
CAN FIN HOMES LTD
1st Floor B L Plaza, Khata No 1538/3,
Vikas Nagar, Mungeli Road,
Mangala Chowk,
Bilaspur-495001,
Chattisgarh
Ph.: 07752-404571
Email Id:bilaspur@canfinhomes.com

**126. Berhampur**
CAN FIN HOMES LTD
Plot No 1168/2422, Gnd Flr, Hilipatna,
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Behrampur-760005,
Odisha
Ph.: 0680-2221888
Email Id:berhampur@canfinhomes.com

**127. Eluru**
CAN FIN HOMES LTD
D No 25-13-4/1, N R Plaza,
Narasimharaopet,
More Super Market Road,
Eluru-534006, W.G.Dist
Andhra Pradesh
Ph.: 08812-245245
Email Id:eluru@canfinhomes,com

**128. Boisar**
CAN FIN HOMES LTD
1st Flr, Yash Siddi Residency,
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Navapur Naka, Boisor-401501
Maharastra
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Email Id:boisar@canfinhomes.com

**129. Surat**
CAN FIN HOMES LTD
U-16, 1st Floor, Atlanta Shoping Mall,
Near VIP Road, Bhimrad Canal Road,
Althan, Surat - 395017
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Ph: 8000976250
E-mail id:surat@canfinhomes.com

**130. Mangalagiri**
CAN FIN HOMES LTD
F: 427-428, Ankamma's Plaza, First Floor,
Middle Centre, Tenali Road,
Guntur, Mangalagiri - 522503
Andhra Pradesh
Ph: 08645 234589
E-mail id:mangalagiri@canfinhomes.com

**131. Bhilai**
CAN FIN HOMES LTD
Shop No.255-258, First Floor, Above HDFC Bank,
Chouhan Estate. G.E.Road,
Supela Bhilai, Bhilai - 490023
Chhattisgarh
Ph: 0788 4902391
Email id: bhilai@canfinhomes.com

**132. Bhimavaram**
CAN FIN HOMES LTD
Flat No. 04, Ground Floor,
Door No. 2-1-50, SVR Towers,
J P Road, Bhimavaram - 534202
Andhra Pradesh
Ph: 08816 297744
Email id: bhimavaram@canfinhomes.com

**133. Kadapa**
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Kadapa - 516002
Andhra Pradesh
Ph: 08562 247589
Email Id: kadapa@canfinhomes.com

**134. Siddipet**
CAN FIN HOMES LTD
Office No. 101, D No. 18-54, First Floor,
Prajay Srinilayam, Beside New Bus Stand
Siddipet, Siddipet - 502103
Telengana
Ph: 08457 230122
Email Id: siddipet@canfinhomes.com

**135. Nizamabad**
CAN FIN HOMES LTD
H No 5-6-370, First Floor, Road No 3,
Hyderabad Road, Land Mark - opp Lane to More Super Market, Andhra Bank
Saraswathi Nagar, Nizamabad – 503001,
Telangana
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Email Id: nizamabad@canfinhomes.com

**136. Rajkot**
CAN FIN HOMES LTD
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150 feet Ring Road,
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Gujarat
Ph: 7625013258
Email Id: rajkot@canfinhomes.com

**137. Jamnagar**
CAN FIN HOMES LTD
Office No. 239-240, Second Floor,
Madhav Plaza, Near Lal Bunglow,
Opp SBI, Jamnagar - 361001
Gujarat
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**138. Haridwar**
CAN FIN HOMES LTD
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Arya Nagar,
Jwalapur Main Road, Haridwar - 249407
Uttarakhand
Ph: 01334 250030
Email Id: haridwar@canfinhomes.com

**139. Sagar**
CAN FIN HOMES LTD
First Floor, Central Bank Building
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Madhya Pradesh
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**140. Aurangabad**
CAN FIN HOMES LTD
Office No. 101, First Floor, Anand Business Center, C.T.S No. 17303,
Opp. Sant Eknath Rang Mandir,
New Usmanpura, Aurangabad – 431005,
Maharashtra
Ph: 7625013263
Email Id: aurangabad@canfinhomes.com

**141. Chakan**
CAN FIN HOMES LTD
Office No - 171, Dnyanda City,
Dnyanda Jadhav Commercial Center,
Near Chakan ST Stand
Chakan –410501,
Maharashtra
Ph: 02135-249230
Email Id: chakan@canfinhomes.com

**142. Kolhapur**
CAN FIN HOMES LTD
No. 560,E, First Floor, Mahavir Bhavan
Shahapuri Vyapari Peth,
Kolhapur -416001
Maharashtra
Ph: 0231 2666478
Email Id: Kolhapur@canfinhomes.com

**143. Alwar**
CAN FIN HOMES LTD
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Lajpat Nagar, Alwar - 301001
Rajasthan
Ph: 0144-2704055
Email Id: alwar@canfinhomes.com

**144. Jhansi**
CAN FIN HOMES LTD
First Floor, SBI Main Branch Building,
Opp.Dhyanchand Stadium,
Civil Lines, Jhansi - 28400
Uttar Pradesh
Ph: 0510-2332676
Email Id: jhansi@canfinhomes.com

**145. Jalandhar**
CAN FIN HOMES LTD
SCO-13, First Floor, Puda Complex,
(Opp. Tehsil Complex), Ladowali Road,
Jalandhar - 144001
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Ph: 0181-2242900
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**146. Rewa**
CAN FIN HOMES LTD
Hall No. 5A 2/4 Block A, Second Floor
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Madhya Pradesh
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**147. Bannerghatta Road**
CAN FIN HOMES LTD
No. 1 & 2, 2nd Floor, 1st Cross,
Ramakrishnappa Layout,
Bannerghatta Road
Gottigere Village,
Bengaluru – 560083
Karnataka
Ph: 080-25780611
Email Id: bannerghatta@canfinhomes.com

**148. Bhavnagar**
CAN FIN HOMES LTD
Flat No. 202, Second Floor,
Corporate House,
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Bhavnagar - 364002
Gujarat
Ph: 0278-2562056
Email Id: bhavnagar@canfinhomes.com

**149. Hinjewadi**
CAN FIN HOMES LTD
1st Floor, Phadatare Heights,
Above ICICI Bank Ltd, Near D'Mart
Hinjewadi, Pune - 411012
Maharashtra
Ph: 7625013272
Email Id: hinjewadi@canfinhomes.com

**150. Durgapur**
CAN FIN HOMES LTD
UCP-001, Ground Floor
Bengal-Ambuja City Centre,
Durgapur - 713216
West Bengal
Ph:0343 2546404
Email Id: durgapur@canfinhomes.com

**151. Jharsuguda**
CAN FIN HOMES LTD.
B K Building, Second Floor,
Opposite Canara Bank SME Branch,
Sarbahal Road,
Jharsuguda Odisha
Ph: 06645-271467
Email Id: jharsuguda@canfinhomes.com

**152. Jagatpura**
CAN FIN HOMES LTD
1st Floor, Rajawat Tower, Plot No.200,
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Jagatpura
Jaipur
Ph: 7625013274
Email Id: jagatpura@canfinhomes.com

**153. Pollachi**
CAN FIN HOMES LTD
No.179-180, Golden Tower, 1st Floor,
Palladam Road,
Pollachi-642001
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**154. Thanjavur**
CAN FIN HOMES LTD
New TS No.2093/2A1, 1st Floor,
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Thanjavur-613007
Tamil Nadu
Ph: 04362 290354
Email Id: thanjavur@canfinhomes.com

**155. Mancherial**
CAN FIN HOMES LTD.
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Hi-Tech City,
Mancherial – 504208,
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**156. Srikakulam**
CAN FIN HOMES LTD
D.No.2-2-64 & 65, 1st Floor, Krishna Nivas,
Near Rythu Bazar, Illisipuram Road,
Srikakulam - 53001
Andhra Pradesh
Ph: 08942-279599
Email Id: srikakulam@canfinhomes.com

**157. Ballari**
CAN FIN HOMES LTD
No.33M, 1st Floor, Jyothi Plaza,
Above Raymonds Show Room,
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Devi Nagar, Ballari – 583103
Karnataka
Ph: 08392-294056
Email Id: ballari@canfinhomes.com

**158. Theni**
CAN FIN HOMES LTD
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Nehruji Road,
Periyakulam Highway, Allinagaram,
Theni - 625531
Tamil Nadu
Ph: 04546 290782
Email Id:theni@canfinhomes.com

**159. Hoskote**
CAN FIN HOMES LTD.
No.86/14, First Floor,
Near Govt. Taluk Hospital,
Malur Main Road, Hoskote Town
Bengaluru Rural – 562114
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Email Id: hoskote@canfinhomes.com

**160. Haveri**
CAN FIN HOMES LTD.
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SY No. 157/B/1B/1C,
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Haveri – 581110
Karnataka
Ph: 89040 50283
Email Id: haveri@canfinhomes.com

**161. Solapur**
CAN FIN HOMES LTD.
Office No 3 & 4, Plot No 12-15,
"Melody
Business Centre", Sy No 124/A-5,
Jule Solapur,
Solapur – 413004
Maharashtra
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Email Id: solapur@canfinhomes.com

**162. Kalaburagi**
CAN FIN HOMES LTD.
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Krishneshwar complex,
New Jewargi Road,
Kalaburagi – 585102
Karnataka
Ph: 89040 50286
Email Id: kalaburagi@canfinhomes.com

**163. Bhilwara**
CAN FIN HOMES LTD.
#9, S-13-14, First Floor, Basant Vihar,
Bhilwara 311001,
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Email Id: bhilwara@canfinhomes.com

**164. Magadi Road**
CAN FIN HOMES LTD.
No.S1356, First Floor,
BEL Layout, Herohalli Village,
Magadi Road, Yeshwanthapura,
Bengaluru-560091
Karnataka
Ph: 89518 96287
Email Id: magadi.road@canfinhomes.com

**165. Gurgaon Sector 5**
CAN FIN HOMES LTD.
Adjacent HP,
Kataria Fuel Co, Above TVS Showroom,
Railway Road, Gurgaon – 122001
Haryana
Ph: 89518 96288
Mail Id: gurgaon2@canfinhomes.com

**166. Yeshwanthpur**
Can Fin Homes Ltd.
No.16/1, (Old No.19B & 20)
1st Floor, 1st Cross, Gokula 1st Stage
Mathikere 2nd Phase, Yeshwanthpur,
Bengaluru - 560 054
Karnataka
Email Id: yeshwanthpur@canfinhomes.com

**167. Vidyaranyapura**
Can Fin Homes Ltd..
No.964, RR Plaza, 1st Floor, 2nd Block
BEL Layout, Vidyaranyapura
Bengaluru-560097
Karnataka
Ph: 080 35694123
Email Id:vidyaranyapura@canfinhomes.com

**168. Jigani**
Can Fin Homes Ltd.
No.CA-2, S N Praveen Arcade,
First Floor, KIADB Industrial Area
APC Circle, Anekal Main Road,
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Karnataka
Ph:080 29918747
Email id: jigani@canfinhomes.com

**169. Shoranur**
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Email Id:shoranur@canfinhomes.com

**170. Tenali**
CAN FIN HOMES LTD
H.No.7-2-41/B, Ground Floor,
Opp. Sri Chaitanya School,
Bhavanam Vari Street,
Ganganammappa
Tenali - 522 201
Andhra Pradesh
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Email Id: tenali@canfinhomes.com

**171. Palwal**
CAN FIN HOMES LTD
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Email Id:palwal@canfinhomes.com

**172. Pithampur**
CAN FIN HOMES LTD
G-1, first floor, Jeevan Complex
Mhow-Neemuch road
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Dhar - Madhya Pradesh
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Email Id:pithampur@canfinhomes.com

**173. Doddaballapura**
CAN FIN HOMES LTD
Shop No.1, Ground Floor,
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Karnataka
Ph: 080 27622134
Email Id:doddaballapur@canfinhomes.com

**174. Ghatkesar**
CAN FIN HOMES LTD
Shop No 1& 2, H NO 5-122
1st Floor, Canara Nagar,
Opp - Piller number 85,
Medipalli Mandal, Boduppal Main Road
Hyderabad - 500092
Telengana
Email Id:ghatkesar@canfinhomes.com

**175. Gobichettypalayam**
CAN FIN HOMES LTD Block C, Room No.23A/3, 1st Floor,
Senthan Kanthan Complex,
Erode Road,
Gobichettipalayam, Erode - 638476
Tamil Nadu
Ph: 04285 222446
Email Id: gobichettipalayam@canfinhomes.com

**176. Mandideep**
CAN FIN HOMES LTD
B-202, First Floor, Indra Nagar,
Mandideep, Bhopal – 462046
Maddya Pradesh
Ph: 07480-233922
Email Id:mandideep@canfinhomes.com

**177. Manesar**
CAN FIN HOMES LTD
Raheja Square, First Floor,
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Haryana
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Email Id: manesar@canfinhomes.com

**178. Ramnagaram**
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Vivekananda Nagar
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Email Id: ramanagara@canfinhomes.com

**179. Rewari**
CAN FIN HOMES LTD
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Circular Road,
Rewari - 123401
Haryana
Ph: 01274 - 223015
Email Id:rewari@canfinhomes.com

**180.Sanga Reddy**
CAN FIN HOMES LTD
58 MIG, First Floor, Phase-2,
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Sangareddy – 502001
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Email Id:sangareddy@canfinhomes.com

**181. Attibele (Electronic City)**
CAN FIN HOMES LTD
Site no.1, D-1014, First Floor,
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Sarjapur Road, Attibele,
Bengaluru – 562107
Karnataka
Ph: 080-27844440
Email Id:attibele@canfinhomes.com

**182. Thanisandra (HRBR)**
CAN FIN HOMES LTD
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Central Excise Layout,
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Thanisandra
Bengaluru - 560077
Karnataka
Email Id: thanisandra@canfinhomes.com

**183. Whitefield**
CAN FIN HOMES LTD
No. 3 & 4, First Floor,
Immadihalli Main Road
Vinayaka Layout, Whitefield,
Bengaluru – 560066
Karnataka
Ph: 080 28454501
Email Id:whitefield@canfinhomes.com

**184. TAR AS Rao Nagar**
CAN FIN HOMES LTD.
H No. 1-7-96/2, Plot No. 2, First Floor,
P Mahesh Nagar, Kapra Village, ECIL Post,
Kisara Mandal, A.S. Rao Nagar,
Hyderabad - 500062
Ph: 040-27148161
Email Id: asraonagar@canfinhomes.com

**185. MDU Thirumangalam (Madurai)**
CAN FIN HOMES LTD
D.No.46/1, HDFC Bank Building,
Madurai Main Road,
Thirumangalam,
Madurai - 625706
Tamil Nadu
Ph: 04549 282499
Email Id: thirumangalam@canfinhomes.com

**186. HUB Dharwad**
CAN FIN HOMES LTD
First Floor, Opp.BRTS Bus Terminal,
NTTF, P B Road
Dharwad – 580001
Karnataka
Ph: 0836 - 2443507
Email Id: dharwad@canfinhomes.com

**187. DGL Batlagundu**
CAN FIN HOMES LTD
# 5 - 1, Anu Towers, First Floor, Madurai Main Road, Opp. SBI,
Near Kaliamman Temple,
Batlagundu - 624202
Tamil Nadu
Ph: 04543 245057
Email Id: batlagundu@canfinhomes.com

**188. MANR Jhothwar**
CAN FIN HOMES LTD
S-61 & 62, Laxman Rekha Scheme No.17,
Nangal Jaisa Bohra Jhotwara, Jaipur - 302012
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Email Id: jhotwara@canfinhomes.com

**189. Neyyatinkara**
CAN FIN HOMES LTD
# XII / 504 - E, First Floor, Asif Centre,
Alummoodu Neyyattinkara,
Trivandrum - 695121
Kerala
Ph: 0471 220117
Email Id: neyattinkara@canfinhomes.com

**190. Aluva**
CAN FIN HOMES LTD
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**191. Cox Town**
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**192. Cuddalore (Pondicherry)**
CAN FIN HOMES LTD
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Tamil Nadu
Email Id:Cuddalore@canfinhomes.com

**193. Kangeyam**
CAN FIN HOMES LTD
# 5G, First Floor, Rajaji Street,
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Kangeyam Tirupur Dist
Email Id: kangeyam@canfinhomes.com

**194. Kazhakuttom (Trivandrum)**
CAN FIN HOMES LTD
No.2, Ground Floor, SS Complex,
Near Police Station
Kazhakuttom, Trivandrum – 695001
Kerala
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**195. Peelameedu**
CAN FIN HOMES LTD
No.88, 'D', First Floor, E S
Corner, Avinashi Road, Hope
College, Coimbatore – 641004
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**196. Velur**
CAN FIN HOMES LTD
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Old Byepass Road, Paramithi,
Velur – 638182
Tamil Nadu
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E-mail id: velur@canfinhomes.com

**197. Oddanchatram**
CAN FIN HOMES LTD
# 276/1 - 9, Sri Sri Sakthi Complex,
First Floor, Opp: Bus Stand,
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Email Id:oddanchatram@canfinhomes.com

**198. MYS-Vijayanagar**
Can Fin Homes Ltd.
#4999,1st Floor, Vijayanagara 2nd
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Mysuru-570017
Karnataka
Email Id:mysvijayanagar@canfinhomes.com

**199. Patia**
Can Fin Homes Ltd.
Plot No HIG-191, L-1153/97,
P S Chandrashekarpur, Kanan Vihar, Patia,
Bhubaneshwar-751024
Odisha
Email Id:patia@canfinhomes.com

**200. Thiruvembur**
CAN FIN HOMES LTD
No.9 & 10, Riyaz Complex,
1st Floor, Erumbeeswarar Nagar,
Trichy – 620013
Tamil Nadu
Email Id:thiruvembur@canfinhomes.com

**201. Rajarajeshwari Nagar**
Can Fin Homes Ltd.
Shop NO 9,Site No 20,CMC Khata No 26,
Ideal Homes Township, R R Nagar,
Bengaluru-560098
Karnataka
Email Id:rajarajeshwarinagar@canfinhomes.com

# Notes

Disclaimer
Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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

**Registered Office**

No. 29/1, 1st Floor, M N Krishna Rao Road,
Near Lalbagh West Gate, Basavanagudi,
Bengaluru 560004

a K&A creation | www.kalolwala.com

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

Registered Office: No. 29/1, 1st Floor, Sir M N Krishna Rao Road ,
Basavanagudi, Bengaluru 560 004, Karnataka, India
Corporate Identity Number (CIN): L85110KA1987PLC008699
E-mail: compsec@canfinhomes.com Web: www.canfinhomes.com
Tel: 080 48536192 Fax: 080 26565746

# Notice of the 35th Annual General Meeting

NOTICE is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CAN FIN HOMES LIMITED will be held on September 07, 2022, Wednesday at 11:00 A.M. IST through Video Conference (VC) or Other Audio-Visual Means (OAVM), to transact the following business:

## ORDINARY BUSINESS

**1. Adoption of financial statements**

To receive, consider and adopt the Audited Standalone Financial Statements, including Balance Sheet as at March 31, 2022 and the statement of the Profit and Loss of the Company for the year ended that date together with the Reports of the Board of Directors and the Auditors thereon.

**2. To confirm payment of Interim Dividend and declaration of Final Dividend**

To confirm the payment of Interim Dividend of ₹1.50 per equity share of face value of ₹2/- each and to declare a Final Dividend of ₹1.50 per equity share of face value of ₹2 each for the Financial Year ended March 31, 2022.

**3. Re-appointment of Shri L V Prabhakar as Director**

To appoint a Director in place of Shri L V Prabhakar (DIN–08110715), Director, who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

**As Ordinary Resolution(s)**

**4. Related Party Transactions/ Arrangements**

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

"RESOLVED THAT in furtherance of the Resolutions passed at the Thirty-second Annual General Meeting of the Company held on July 17, 2019, pursuant to Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable provisions including any amendment, modification or re-enactment thereof, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Audit Committee of Board) for entering into, carrying out and/or continuing with the transactions and arrangements (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), with the related parties viz., Canara Bank and/or their subsidiaries and/or associates and/or any of their joint venture companies, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions or otherwise, with respect to the transactions entered into or to be entered into with them in terms of Section 188 of the Act, as fully set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice, notwithstanding that each of these related party transactions, may exceed the limits prescribed under Section 188 of the Companied Act, 2013 and/or any other statutes or regulations including the materiality threshold prescribed under Regulation 23 of the Listing Regulations, as may be applicable from time to time, without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and other applicable Regulations thereunder and the applicable provisions of the Companies Act, 2013 ('Act') read with related rules, if any, including any amendment, modification, variation or re-enactment thereof, the approval of the Members be and is hereby accorded to the Board to enter into, carrying out and/or continuing with the transactions, arrangements and contracts (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with the Canara Bank, (Promoter), being a related party, from the conclusion of this Annual General

Meeting until the conclusion of the 36th Annual General Meeting of the Company or such other period as may be statutorily allowed/ permitted, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/ transactions or otherwise including the transactions of routine banking transactions and other transactions in the ordinary course of business more specifically set out in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice; notwithstanding that all the above transactions individually or in the aggregate, may exceed the limits prescribed under Regulation 23 of Listing Regulations or any other materiality threshold as may be applicable from time to time and all actions taken by the Board in connection with the transactions since April 1, 2022, within the limits already approved by the members on July 17, 2019 be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such agreements, documents, instruments, writings, as may be required, take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise in relation to the above, with power to settle all questions, difficulties and doubts that may arise in relation to the above as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Committee of Directors and/or directors and/or officers of the Company, to give effect to these resolutions."

**As Special Resolution(s)**

**5. Appointment of Shri Arvind Narayan Yennemadi as an Independent Director**

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

"RESOLVED THAT in accordance with the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), applicable clauses of the Master Direction– Non-Banking Financial Company– Housing Finance Company (Reserve Bank) Directions, 2021, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, the appointment of Shri Arvind Narayan Yennemadi (DIN: 07402047), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and is eligible for appointment as an Independent Director of the Company, in respect of whom the Company has received Notice in writing from a member under Section 160 of the Act signifying their intention to propose Shri Arvind Narayan Yennemadi for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company, for a tenure upto the conclusion of the Annual General Meeting of the Company of the year 2024-25 and whose office shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as applicable, till the end of his tenure in terms of the offer of his appointment."

**6. Appointment of Shri Anup Sankar Bhattacharya as an Independent Director**

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

"RESOLVED THAT in accordance with the provisions of Section 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (applicable clauses of the Master Direction– Non-Banking Financial Company– Housing Finance Company (Reserve Bank) Directions, 2021, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, the appointment of Shri Anup Sankar Bhattacharya (DIN: 02719232), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, in respect of whom the Company has received Notice in writing from a member under Section 160 of the Act signifying their intention to propose Shri Anup Sankar Bhattacharya for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company, for a tenure upto the conclusion of the Annual General Meeting of the Company of the year 2024-25 and whose office shall not be liable to retire by rotation and that he shall be paid sitting fees and reimbursed expenses for attending Board and Committee meetings as applicable till the end of his tenure in terms of the offer of his appointment."

**7. To borrow amounts not exceeding ₹35,000 Crore**

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

"RESOLVED THAT in supersession of the resolutions passed by the Members at the Thirty Fourth Annual General Meeting of the Company held on September 08, 2021, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof and read with the Articles of Association of the Company, relevant regulations/directions as may be prescribed by the National Housing Bank/Reserve Bank of India from time to time, to continue to borrow from time to time any sum or sums of money(ies) on behalf of the Company as they deem requisite and/or expedient for the purpose of the business of the Company, notwithstanding that the money(ies) to be borrowed together with money(ies) already borrowed by the Company would exceed the aggregate of paid-up share capital, it's free reserves and securities premium of the Company, provided that the total amount upto which money(ies) borrowed by the Board of Directors of the Company at any time, including the temporary loans obtained from the Company's bankers in the ordinary course of business, shall not exceed ₹35,000 Crore (Rupees Thirty Five Thousand Crore only)."

8. **Offer or invitation for subscription of Non-Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹4000 Crore, on private placement**

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

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Master Direction–Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI-HFC Directions, 2021), Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Foreign Exchange Management Act, 1999, Directions/Guidelines/Circulars or laws issued by National Housing Bank or Reserve Bank of India or any other statutory/regulatory authorities from time to time, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, and in accordance with the provisions contained in the Memorandum & Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as `the Board' which term shall be deemed to include any Committee(s) thereof) for issuance of Redeemable, Secured Or Unsecured Non-Convertible Debentures (NCDs)/bonds, and/or any other hybrid instruments (not in the nature of equity shares) which may or may not be classified as being Tier II capital under the provisions of the RBI-HFC Directions, 2021, subordinated debt in the nature of Tier II NCDs/bonds, onshore and/or offshore, denominated in Indian Rupees and/or any Foreign Currency, for cash, either at par or premium or at a discount to the face value, upto an amount not exceeding ₹4000 Crore (Rupees Four Thousand Crore only) under one or more information memorandum/shelf disclosure document, on private placement basis, in one or more series/ tranches, during a period of one year commencing from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting and on such terms and conditions as the Board may deem fit and appropriate for each series, as the case may be; provided however that the borrowings including by way of issue of NCDs and/or any other hybrid instruments shall be within the overall limit of borrowings as approved by the Members of the Company, from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non- Convertible Debentures/bonds, number of securities, number of tranche(s)/series, to be issued under each such tranche/series, tenure, purpose, face value, issue size, method of issuance, security/charge creation, if any, coupon/interest rate(s), yield, listing, allotment, pricing of the issue, date(s) of opening and closing of the offers/ invitations for subscription of such securities, deemed date(s) of allotment, exercise 'PUT' and 'CALL' option, utilization of the issue proceeds, redemption, to select, appoint and finalize the remuneration of various agencies and all matters connected with or incidental thereto and all other terms and conditions relating to the issue of the said securities on private placement basis.

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

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

9. **Further issue of shares not exceeding ₹1000 Crore**

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

"RESOLVED THAT pursuant to the provisions of Sections 23, 41, 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder, the relevant provisions of the Securities Contracts (Regulation) Act, 1956 and the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (SEBI) Act, 1992 and the rules and regulations made thereunder including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ["ICDR Regulations"], the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], the listing agreements entered into with the respective stock exchanges where the shares of the Company are listed (the "Stock Exchanges"), the provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), including the, the Foreign Exchange Management (Transfer or issue of any foreign security) Regulations, 2004, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the current consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (including any amendment(s), modification(s), variation(s) or re-enactment(s) to the above laws), the provisions of the Memorandum of Association and Articles of Association of the Company and in accordance with any other applicable law, rules or regulations, in India or outside India, including without limitation, as amended, the Reserve Bank of India Master Directions on Foreign Investment in India as amended, and in accordance with such other rules, regulations, guidelines, notifications, circulars and clarifications issued/to be issued from time to time by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies ("ROC"), the Ministry of Corporate Affairs ("MCA"), National Housing Bank ("NHB"), BSE Limited and the National Stock Exchange of India Limited and such other statutory and regulatory authorities (hereinafter referred to as 'regulatory authorities'), from time to time, and to the extent applicable and subject to approvals, consents, permissions and/ or sanctions, if any required, from any statutory or regulatory authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and/or sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board has constituted or may hereinafter constitute to exercise its powers including the power conferred by these Resolutions), the consent, authority and approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot, such number of fully paid Equity Shares of the Company of face value of ₹2/- each (Rupees Two only) (the "Securities"), in one or more tranches, either in India or in the course of international offering(s) in one or more foreign markets, by way of follow-on public issue, rights issue, private placement, Qualified Institutional Placement ("QIP"), preferential allotment or by any other mode of further issue of specified securities or any combination thereof for an amount not exceeding in aggregate of ₹1000 Crore (Rupees One Thousand Crore only) by way of one or more public and / or private offerings or through foreign currency equivalent thereof, inclusive of such premium as may be fixed on such Securities at such time or times, through issue of prospectus, offer letter, offer document, offering circular, placement document or otherwise, in such manner and on such terms and conditions including at such price or prices (including floor price), at a discount or premium to market price or prices (as permitted under the applicable laws), etc., as may be deemed appropriate by the Board in its absolute discretion, including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment of equity shares of ₹2 each of the Company to one or more of the members, employees of the Company by way of ESOS/ESPS, Indian nationals, Non-Resident Indians (NRIs), Companies (private or public), Investment institutions, Societies, Trusts, Research Organisations, Qualified Institutional Buyers ("QIBs") like Foreign Institutional Investors ("FIIs"), Banks, Financial Institutions, Indian Mutual Funds, Venture Capital Funds, Foreign Venture Capital Investors, Alternate Investment Funds, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions or other entities, authorities or any other category of investors which are authorized to invest in equity /preference shares / securities of the Company (collectively called "Investors") in accordance with all the applicable laws, rules, regulations and guidelines, considering the then prevailing market conditions and other relevant factors and wherever necessary in consultation with the lead manager(s) and/or underwriter(s) and/or other advisor(s) for such issue.

RESOLVED FURTHER THAT the allotment of Securities, in case of QIP or any other mode as per the above resolutions pursuant to Chapter V and/or Chapter VI of ICDR Regulations, shall be made to the QIBs or such other Investors within the meaning prescribed under the said regulations and such securities shall be fully paid-up and the allotment of Eligible Securities (or any combination of Eligible Securities as may be decided by the Board) to be completed within 365 days from the date of passing of these Resolutions or such other time as may be allowed under the ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula provided under Chapter V and/or Chapter VI of ICDR Regulations,

as applicable and as may be amended from time to time, provided that the Board may, in accordance with applicable laws, offer a discount of not more than 5% (five percent) or such percentage as permitted under the applicable laws, with such lock-in requirements as provided under Chapter V and/or Chapter VI of ICDR Regulations, as applicable, as may be amended from time to time and the "Relevant Date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares as may be determined by the Board in accordance with the ICDR Regulations and if the issue and allotment of equity shares, if any, to NRIs, FIIs and/ or other eligible foreign investors be subject the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable and within the overall limits set forth under the said Act.

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

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

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board or a Committee thereof be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final placement document(s), determining the type, form and manner of the issue, class of the investors to whom the Securities are to be offered, utilization of the issue proceeds, number of securities to be allotted in each tranche, issue price, face value, discounts permitted under the applicable law (now or hereafter), premium amount on issue of the securities, if any, and to dispose of unsubscribed shares as it deems fit and/or in consultation with the lead managers, underwriters, advisers and/or other persons as appointed by the Company, and execution of various agreements, deeds, instruments and other documents, including the private placement offer letter, and to give instructions or directions or clarifications and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of securities and utilization of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by SEBI, ROC, RBI, NHB or such other statutory & regulatory authorities, merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, scrutinizer, trustee, escrow agent or such other agents/agencies involved in or concerned with the issue of Securities and as the Board or Committee thereof may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent, authority or approval of the Members or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to these Resolutions may be exercised by the Board or Committee thereof, the Board has constituted or may constitute in this behalf, to the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of these Resolutions, and all actions taken by the Board or any Committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.

RESOLVED FURTHER THAT the Board or Committee thereof be and is hereby authorized to engage/ appoint consultants, lead managers, managers, underwriters, authorised representatives, guarantors, depositories, custodians, registrars, stabilizing agent, trustees, bankers, lawyers, auditors, advisors and all such professionals, intermediaries and agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, undertakings, placement agreements, underwriting agreements, deposit agreements, trust deeds, subscription agreements, payment and conversion agency agreements and any other agreements or documents with such agencies and to seek the listing of such securities on the stock exchange(s).

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

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

Sd/-
**Veena G Kamath**
DGM & Company Secretary

Place: Bengaluru
Date: August 04, 2022

## NOTES:

1. In accordance with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No.02/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as "MCA circulars"), applicable provisions of the Companies Act, 2013 and the rules made thereunder and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), companies are allowed to hold Annual General Meeting (AGM) through Video Conference (VC)/Other Audio Visual Means (OAVM) ("VC"), without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 17(11) and 36(3) of SEBI-LODR setting out the material facts concerning agenda No. 3 and special business under agenda Nos.4 to 9 in the Notice, is annexed.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy, to attend and vote on his/her behalf, and such proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available and hence the Route map, Proxy Form and Attendance Slip are not annexed to this Notice.

   In case of joint holders attending/participating in the Meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-Voting by the first holder.

   The attendance of the Members participating in the AGM through VC will be recorded digitally. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. The Members may note that the Company had paid interim Dividend at ₹1.50 per equity share of face value of ₹2/- each on December 28, 2021 as approved by the Board. Further, the Board in their meeting held on April 29, 2022, has recommended a final Dividend of ₹1.50 per equity share of face value of ₹2/- each.

5. Pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, August 19, 2022 (Friday) is fixed as the 'Record Date' for determining entitlement of the Members to a final Dividend of ₹1.50 per equity share of face value of ₹2/- each for the FY 2021-22.

6. The final Dividend amounts will be paid subject to approval of the Members in the AGM. If approved, the Company will pay the Dividend amounts, within 10 days from the date of AGM to the Members, whose name appear in the Register of Members as at the close of business hours on August 19, 2022, Friday, subject to deduction of tax at source (TDS) in terms of Section 194 of the Income Tax Act, 1961. For further details on TDS please refer point no. 11 of this Notice. As per the Circulars and Green Initiative by MCA, payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. For Members who have not updated their bank account details, dividend warrants/demand drafts/cheques will be sent out to their registered address. Shareholders are requested to update their Bank account details & KYC with their depositories (where the shares are held in dematerialised mode) and with the Company's RTA i.e. Canbank Computer Services Limited (CCSL) (where the shares are held in physical mode) to receive the dividend directly into their Bank Account.

7. In compliance with the Circulars, Notice of the AGM along with the Annual Report 2021-22 are being sent only through electronic mode to those Members whose email address are registered with the Company/ RTA/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.canfinhomes.com, website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL www.evoting.nsdl.com.

8. All documents referred to in this Notice and other statutory registers like Register of Directors and Key Managerial Personnel and their shareholdings (Section 170 of the Act), the Register of Contracts or Arrangements in which the Directors are interested (Section 189 of the Act) etc. maintained, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 07, 2022. Members seeking to inspect such documents can send an email to investor.relationship@canfinhomes.com The said documents would also be available online for inspection during the AGM at the NSDL e-Voting portal https://www.evoting.nsdl.com.

9. Pursuant to Regulation 36 of the SEBI LODR, additional information/particulars, in respect of the directors seeking appointment/ re-appointment of directors and auditors

at the AGM are furnished in the explanatory statement forming part of this Notice. The directors and auditors have furnished consent(s)/declaration(s) for their appointment/ re-appointment as required under the Companies Act, 2013 and related Rules and as per NHB/RBI Directions.

10. The Members desirous of obtaining information, if any, with regard to the audited annual accounts of the Company for the financial year 2021-22 or on any other related subject may write to the Company at e-mail IDs; accounts@canfinhomes.com or compsec@canfinhomes.com at least 15 days before the date fixed for the AGM, so that the information required could be kept ready.

11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to refer to the Finance Act, 2020 and amendments thereof and FAQ on Tax on Dividend at https://www.canfinhomes.com/pdf/FAQTAX-DIVIDEND.pdf. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). (Please refer point 16(i) below for updating PAN etc. under General Information).

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a declaration in Form No. 15G/15H/Tax exemption certificate, to avail the benefit of non-deduction of tax at source by e-mail to investor.relationship@canfinhomes.com by August 25, 2022.

    Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a rate of 20%. For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. For non-resident shareholders, the rate of TDS is 20% (plus applicable surcharge and cess) as per Income Tax Act, 1961. However, where a non-resident shareholder is eligible to claim the tax treaty benefit and the tax rate provided in the respective tax treaty is beneficial to the shareholder, then the rate as per the tax treaty would be applied. In order to avail tax treaty benefits, nonresident shareholders would be required to submit Tax Residency Certificate for FY 2021-22, Form 10F as per the format specified under Income Tax Act, 1961, Copy of PAN Card attested, Self-declaration of beneficial ownership and not having a Permanent Establishment (PE) in India. The aforesaid declarations and documents need to be submitted by the shareholders by August 31, 2022.

    The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

12. The Board has appointed Shri K N Nagesha Rao, Practicing Company Secretary, as the Scrutinizer for ensuring e-Voting in a fair and transparent manner. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman (who shall countersign the same) after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), within 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA and will also be displayed on the Company's website www.canfinhomes.com

    The Company has availed the services of NSDL for arrangement of the AGM on VC to enable the Members to participate in the meeting in terms of the Circulars cited above. Also, the Company has provided a facility to the members to exercise their rights to vote electronically through electronic voting service facility made available by NSDL.

13. **Voting through electronic means (e-Voting):** Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 substituted by the Companies (Management and Administration) Amendment Rules, 2015 read with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their right to vote electronically through electronic voting (e-Voting) service facility provided/made available by the National Securities Depository Limited (NSDL). The facility for voting through electronic voting system will also be made available during the Annual General Meeting (AGM) and the Members who have not already cast their votes by remote e-Voting shall be able to exercise their right to vote during said AGM through e-Voting. Members who have cast their votes by remote e-Voting prior to the AGM may attend the AGM on VC but shall not be allowed to vote again. The instructions for e-Voting are annexed to the Notice. Since the AGM is being conducted through VC the said resolutions will not be voted on show of hands during the AGM in terms of Section 107 of the Companies Act, 2013.

The manner of voting remotely, by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses, is provided in the instructions for e-Voting as below.

**The instructions for remote e-Voting and joining AGM are as under:**

i. **The remote e-Voting period** commences on **Saturday, September 3, 2022 (9:00 a.m. IST)** and **ends on Tuesday, September 6, 2022 (5:00 p.m. IST)**. During this period, Members holding shares either in physical form or in dematerialized form, as on **Thursday, September 1, 2022 i.e. cut-off date,** may cast their vote electronically. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

ii. **Process and manner for remote e-Voting** are explained herein below:

**Step 1:** Access to NSDL e-Voting system

**Step 2:** Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

**Step 1: Access to NSDL e-Voting system are mentioned below:**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P /2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in DEMAT mode are allowed to vote through their DEMAT account maintained with depositories and depository participants.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

**I) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in DEMAT mode**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in DEMAT mode with **NSDL** | **A. NSDL IDeAS facility**<br>If you are already registered, follow the below steps:<br>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section.<br>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.<br>4. Click on "Access to e-Voting" appearing on the left-hand side under e-Voting services and you will be able to see e-Voting page.<br>5. Click on options available against Can Fin Homes Limited or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.<br>If you are not registered, follow the below steps:<br>1. Option to register is available at https://eservices.nsdl.com<br>2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>Please follow steps given in points (1) to (5) above. |
| | **B. e-Voting website of NSDL**<br>1. Open web browser by typing the following URL:https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.<br>2. Once the home page of e-Voting system is launched, click on the icon Login" which is available under 'Shareholder/Member' section. |

| Type of shareholders | Login Method |
|---|---|
| | 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit DEMAT account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider<br>- NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the<br>remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |
| | **C. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.**<br>**NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in DEMAT mode with **CDSL** | 1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of E-voting Service Provider i.e. NSDL portal. Click on NSDL to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.<br>Alternatively, the user can directly access e-Voting page by providing DEMAT Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the DEMAT Account. After successful authentication, user will be provided links for the respective E-voting Service Provider i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in DEMAT mode) **logging through their depository participants** | 1. You can also login using the login credentials of your DEMAT account through your DP registered with NSDL / CDSL for e-Voting facility.<br>2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein<br>you can see e-Voting feature.<br>3. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in DEMAT mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022–23058542–43 |

**II) Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in DEMAT mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders/ Member" section.

3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

4. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

5. Your User ID details are given below:

| Manner of holding shares i.e. DEMAT /(NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| For Members who hold shares in DEMAT account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| For Members who hold shares in DEMAT account with CDSL. | 16 Digit Beneficiary ID<br>For example, if your Beneficiary ID is 12********** then your user ID is 12********** |
| For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example, if EVEN is 116695 and folio number is 001*** then user ID is 116695001*** |

6 Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your e-mail ID is registered in your DEMAT account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com Open the e-mail and open the attachment i.e. a pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for

shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned below in this notice.

7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "Forgot User Details / Password?" (If you are holding shares in your DEMAT account with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your DEMAT account number / folio number, your PAN, your name and your registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system are mentioned below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN 116695" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Member companies/Institutional Shareholders are required to send a certified copy of the Board or governing body Resolution/Authorisation letter etc., authorising their representative to attend the AGM through VC and vote on their behalf. The said Resolution/Authorization with attested specimen signature of the duly authorized signatory/ies who are authorized to vote to the Scrutinizer by email canfinscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password.

   In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh at evoting@nsdl.co.in.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the

share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.relatioship@canfinhomes.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.relatioship@canfinhomes.com. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/Members may send a request mail to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

**The instructions for Members for e-Voting on the day of the AGM are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

**Instructions for Members for attending the AGM through VC are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their Name, DEMAT account number/ folio number, email id, mobile number at investor.relationship@canfinhomes.com. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a 'speaker' may send their request mentioning their name, DEMAT account number/folio number, email id, mobile number to investor.relationship@canfinhomes.com on or before September 01, 2022.

   Those shareholders who have registered themselves as a 'speaker' will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

7. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or contact Ms. Soni Singh – NSDL at evoting@nsdl.co.in.

8. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice of the AGM and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote

e-Voting then he/she can use his/her existing user ID and password for casting the vote.

9. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1500 Members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, Company Secretary, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

**General Information:**

14. Dematerialisation of shares: Considering the advantage of scripless trading, Members are requested to consider dematerialisation of their shareholding so as to avoid inconvenience. For any assistance for opening demat account, the Members may contact the RTA Ph: 080 23469661/65 or vide e-mail to compsec@canfinhomes.com. Pursuant to the proviso to Reg.40 of SEBI (LODR) Regulations, 2015, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed by the Company unless the securities are held in the dematerialized form with a depository.

15. Transfer of Unclaimed Dividend and shares to IEPF: Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, the dividend declared for 2014–15 remaining unclaimed and unpaid as on August 10, 2022 are liable to be transferred to the Investor Education & Protection Fund (IEPF) since 7 years have lapsed. Reminder letters have been sent to all such shareholders as per the address registered with the Company/RTA. Members who have not encashed their dividend warrants for the financial years 2015–16 to 2020–21 are requested to approach the RTA of the Company at the earliest.

    Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof and as per Rule 6 of the said Rules, during FY 2021–22, the Company has transferred the shares, in respect of which dividend amounts remained unclaimed or unpaid for 7 consecutive years by the shareholders i.e., upto 2013–14, to 'IEPF Demat Account' in accordance with the procedure prescribed. The Company had sent reminder letters dated May 23, 2022 to all the shareholders (2103 Nos.), who have not claimed their dividend amounts pertaining to 2014–15 for a consecutive period of 7 years and also issued newspaper notifications. The details are made available on the website of the Company in `Investors' page. The shareholders are requested to contact RTA and submit their KYC documents and comply with the formalities for claiming the said amounts. The unclaimed amount together with related shares are due to be transferred to IEPF by August 13, 2022.

16. Updation of E-mail address, Bank Account particulars, PAN etc.: The Company has been concerned about the environment and encourages the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India. Also in terms of the Circulars, Members holding the shares in physical mode, who have not registered/updated their email addresses and/or Bank Account particulars, PAN etc. with the Company, are requested to register /update the same in any of following manner and enable us to send the annual report etc., via e-mail and pay the Dividend through electronic mode (as mandatorily required as per SEBI Circular dated March 21, 2016)

    i) by clicking on https://www.canfinhomes.com/shareholder-request-detail.aspx and uploading the required documents or

    ii) by writing to the Company with details of Folio Number and attaching a self-attested copy of PAN card at investor.relationship@canfinhomes.com or to Canbank Computer Services Limited at naidu@ccsl.co.in or

    iii) by sending an SMS to the number '9971393333', mentioning 'INVESTOR<space>Folio Number <space>e- mail address'.

    iv) The forms (for physical) for furnishing Bank account particulars with the related IFSC Code, are made available on the website of the Company https://www.canfinhomes.com/pdf/ECS-mandate-Physical-Holding.pdf for download by the Members and submission to the Company or the RTA.

17. Members holding shares in dematerialised mode, who have not registered/updated their email addresses/ Bank account particulars with their Depository Participants, are requested to register/update their email addresses and mobile numbers with the Depository Participants with whom they maintain their demat accounts. The forms (for Demat) for furnishing Bank account particulars with the related IFS Code, are made available on the website of the Company https://www.canfinhomes.com/pdf/ECS-mandate-Demat-Account.pdf for download by the Members and submission to the DP.

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

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

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

# ANNEXURE TO THE NOTICE

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

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 9 of this Notice.

## In respect of Agenda No.3 - Re-appointment of Shri L V Prabhakar as Director

Shri L V Prabhakar, was appointed as an Additional Director (Non-executive Promoter) w.e.f. July 30, 2020 on the Board of the Company and he has been appointed by the Members as a Director at the 33rd Annual General Meeting held on August 26, 2020. He is a Non-Executive Promoter Director and the Chairman of the Company. In terms of section 152(6)(d) of the Act, Shri L V Prabhakar (Non-executive promoter director), being longest in the office since his last appointment, would be liable to retire by rotation at this 35th AGM of the Company and eligible to be re-appointed as a Director at the same meeting.

Resolution No.3 is an ordinary business. However, in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, the following particulars relating to Shri L V Prabhakar (DIN 08110715), Director, are provided for the information of Members.

Brief Profile of Shri L V Prabhakar, pursuant to SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions, is provided in the table below:

| | |
|---|---|
| **Name of the Director** | Shri L V Prabhakar |
| **Director Identification Number (DIN)** | 08110715 |
| **Age** | 59 years |
| **Nationality** | Indian |
| **Date of first appointment on the Board** | July 30, 2020 |
| **Qualification** | Shri L V Prabhakar holds a Master's Degree in Agriculture and a Certified Associate of Indian Institute of Bankers (CAIIB). |
| **Brief profile & nature of expertise in specific functional areas** | Shri L V Prabhakar is currently serving as the Managing Director & Chief Executive Officer of Canara Bank. He has over 35 years of rich experience in banking, spread across a spectrum of domains. He is a member on the Boards of two listed entities viz., Can Fin Homes Limited and Canara Bank. He is the Chairman of Canara Robeco Asset Management Co. Ltd., Canara HSBC Insurance Company Ltd. and Can Fin Homes Ltd. He is the Chairman of IBA Standing Committee on Payment Systems & Banking Technology. He is the Vice President of the Governing Council of Indian Institute of Banking & Finance (IIBF) and Director in National Institute of Banking Management (NIBM).<br><br>Prior to joining Canara Bank, Shri L V Prabhakar worked as the Executive Director of Punjab National Bank. He handled various verticals of the Bank viz., Credit, Treasury and Human Resources. He was also instrumental in strengthening systems and procedures by taking initiatives in Stressed Assets Management Vertical, Digitization of Trade Finance, etc. He has also served on the Boards of PNB Metlife India Insurance, PNB Housing Finance Limited and Everest Bank Ltd. Nepal. |

| | |
|---|---|
| **Terms and conditions of Re- appointment & details of remuneration** | Shri L V Prabhakar would be re-appointed as a director, liable to retire by rotation, at the 35th Annual General Meeting of the Company scheduled to be held on September 07, 2022. He is eligible for sitting fee of ₹35,000/- for attending and chairing a meeting of the Board and ₹20,000/- for Chairing the Meeting of Corporate Social Responsibility (CSR) Committee. The sitting fee payable to Shri L V Prabhakar is liable to be paid to Canara Bank. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by him, if any, in the performance of his role and duties. The sitting fee will be reviewed and revised by the Board from time to time, within the ceiling limit prescribed under the Companies Act, 2013. |
| **No. of meetings of the Board attended during the year** | Attended 10 meetings during the FY 2022 out of 10 meetings held. |
| **Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.** | He is the MD & CEO in Canara Bank, a listed entity and Director (Promoter Non-Executive) in your Company. He is a director in Indian Institute of Banking & Finance, Canara Robeco Asset Management Company Limited, Canara HSBC Life Insurance Company Ltd. |
| **Memberships/ Chairmanships of the committee of the Board of Directors of the Company/other Companies** | He is the Chairman of Corporate Social Responsibility (CSR) Committee of the Board of your Company. |
| **Listed entities from which the Director has resigned in the past three years** | He has also served on the Board of PNB Housing Finance Limited. |
| **Number of shares held in the Company including as a beneficial owner** | As confirmed/declared by him, Shri L V Prabhakar is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis) and has not availed any loan from the Company. |
| **Disclosure of relationships between directors inter-se** | None of the directors are related inter-se. No Director, other than Shri Debashish Mukherjee, Executive Director of Canara Bank and Shri Amitabh Chatterjee (Dy. Managing Director and KMP of the Company) Dy. General Manager, Canara Bank and no other key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said agenda. |

He is not disqualified from being re-appointed as a director in terms of under sub-section (2) of Section 164 of the Companies Act, 2013. The requisite form DIR-8 is received from him, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility.

Shri L V Prabhakar has confirmed that he continues to satisfy the fit and proper criteria as prescribed under the RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (RBI-HFC Directions, 2021). He has also confirmed that he is not debarred from holding the office of Director by virtue of any order by SEBI or any other authority. Shri L V Prabhakar is committed to devote enough time that is required by the Company in order to fulfil his fiduciary responsibility towards various stakeholders.

The Nomination Remuneration & HR Committee at its meeting held on August 02, 2022 has determined that Shri L V Prabhakar continues to be a fit and proper candidate for re- appointment and his performance has been evaluated by the Independent Directors for the year ended March 31, 2022. Your directors are of the opinion that Shri L V Prabhakar fulfils the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021, for re-appointment as a Director and his appointment as a Director would be in the best interest of the Company.

Consents, declarations etc., referred above would be available for inspection by the Members as mentioned in the notes to this Notice.

The Board of Directors at their meeting held on August 04, 2022 has recommended for re-appointment of Shri L V Prabhakar, as a Director, as proposed at Agenda No.3 (Ordinary Business) of the Notice.

## In respect of Agenda No.4- Related Party Transactions/Arrangements

The Company has been obtaining prior approval of the members for entering into or continuing with the transactions, arrangements or contracts with related parties viz., Canara Bank and/or their subsidiaries and/or Associates and /or any of their joint venture companies. The members, at the 32nd Annual General Meeting held on July 17, 2019 have given prior approval for related party transactions for aggregate amounts not exceeding Rs.6000/- Crore (Rupees Six Thousand Crore only).

In terms of Section 188 of the Companies Act, 2013 and Companies (Amendment) Acts thereafter, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, a Company shall not enter into any contract or arrangement or transactions with a related party(ies) for transactions for amounts exceeding the threshold limits prescribed under Rule 15 referred above, viz., if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements. Accordingly, transactions with the related parties shown in the table below come within the meaning of Related Party transactions in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations. Hence, approval of the shareholders is being sought for the said Related Party Transactions proposed to be entered into by your Company with the related parties shown in the table below for the period from this Annual General Meeting upto the Annual General Meeting of the Company for the year 2023.

The particulars of the proposed transactions and/or contracts and/or arrangements with the related parties are provided below:

| **Sl. No.** | **Particulars** | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | Name of the Related Party | **Canara Bank** | | **Canbank Computer Services Limited** | | **Canara HSBC Life Insurance Company Limited** | |
| 2 | Name of the Director or KMP who is related | Shri L V Prabhakar, MD & CEO of Canara Bank (Chairman of the Company)<br>Shri Debashish Mukherjee, ED of Canara Bank (Director of the Company)<br>Shri Amitabh Chatterjee, DGM of Canara Bank (Dy. Managing Director of the Company) | | | | | |
| 3 | Nature of Relationship | Promoter (Sponsor) | Limit (Rs. Crores) | Subsidiary of Canara Bank, Promoter | Limit (Rs. Crores) | Subsidiary of Canara Bank, Promoter | Limit (Rs. Crores) |
| 4 | Nature, material items, monetary value and particulars of the contract | 1. Availing term loans, debt securities convertible or non-convertible, shares, commercial papers, and overdraft facilities, including interest thereon. | 4,000 | 1. Registrar and Transfer Agency Charges<br>2. Recovery Call Centre units<br>3. Information Technology Solutions | 0.50 | 1. Corporate Agency Business with the Company<br>2. Investment in the NCDs issued by the Company and payment of interest on such NCDs. | 100 |
| | | 2. Placing of Fixed Deposits and earning interest thereon | 1,000 | | | | |
| | | 3. Other transactions include maintaining current accounts, dividend accounts, payment of fee and bank charges, leasing of properties and collection /payment of rent, re-imbursement of remuneration to the deputed officials, payment of sitting fee, etc. | 1,000 | | | | |

**Note:** Any other information relevant or important for the member to take a decision on the proposed resolution:

The over all related party transactions with Canara Bank, its Subsidiaries/ Associates/ Joint Venture Companies, approved by the members at the Annual General Meeting held on July 17, 2019 was Rs.6,000 Crore.

The Company has opened a DEMAT account with Canara Bank Securities Ltd. Apart from the transactions detailed above, other subsidiaries/Associates/Joint venture companies of Canara Bank may enter into related party transactions like investment in the securities, commercial papers, etc. issued by the Company or any other transactions by Canara Robeco Asset Management Company, Canbank Factors Ltd., Canbank Computer Services Ltd., Canbank Financial Services Ltd., Canbank Venture Capital Fund, etc. in the normal course of business and at arm's length, which will not be material and cannot be quantified at this point of time. However, the same may not exceed the aggregate limit of Rs.6,000 Crore.

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires prior shareholders' approval by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the Audit Committee, even if such transactions are in the ordinary course of business of the concerned company and on an arm's length basis. As per the said Regulations, a transaction with a related party is considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company has been entering into contracts and arrangements with the promoter and sponsor bank viz., Canara Bank since incorporation i.e., in 1987, in the ordinary course of business. The transactions of the Company with Canara Bank individually or taken together with previous transactions identified and detailed in the table above during a financial year exceed the materiality threshold prescribed under Regulation 23(4) of the Listing Regulations, necessitating obtaining prior approval of the shareholders. Accordingly, prior approval of members is being sought for entering into the above mentioned material related party transactions with Canara Bank form the conclusion of the 35th Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company or such other period as may be statutorily allowed or permitted. Further since the SEBI Circular referred above applies to transactions with effect from April 01, 2022, all actions taken by the Board in connection with the matters referred to or contemplated in these resolutions are requested to be approved, ratified and confirmed by members.

The transactions/arrangements/contracts with the said subsidiaries and/or associates and/or joint venture companies are in the ordinary course of business and at arm's length and the transactions are within the materiality thresholds.

The Audit Committee of the Board and also the Board of Directors, wherever applicable, have granted approvals for entering into related party transactions with Canara Bank and its subsidiaries and/or associates and/or joint venture as detailed in the resolution.

As per the clarifications given by SEBI vide its Circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022 on applicability of Reg.23(4) read with Regulation 23(3)(e) of SEBI (LODR) Regulations, 2015, the omnibus approvals of material RPTs given by the members at the Annual General Meeting shall be valid upto the date of the next Annual General Meeting, for a period not exceeding 15 months.

Though the above transactions are in the ordinary course of business of the company and on arm's length basis, for abundant caution and from a better corporate governance perspective, the approval of the members is being sought under Section 188 of the Companies Act, 2013 and the rules thereunder.

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

None of the directors are related inter-se. No Director, other than Shri L V Prabhakar (Managing Director & CEO, Canara Bank), Shri Debashish Mukherjee (Executive Director, Canara Bank) and Shri Amitabh Chatterjee (Dy. General Manager, Canara Bank), or any key managerial personnel or the relatives of the directors or key managerial personnel, is in any way concerned or interested, financially or otherwise, in the said resolution.

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

As per the clarifications provided by SEBI vide its Circular dated April 08, 2022 in respect of Regulation 23 of the Listing Regulations, this agenda item is considered unavoidable in terms of MCA Circulars and forms part of this Notice.

The members may please note that all the related parties of the Company are prohibited from voting on Resolution No.4 of this Notice.

## In respect of Agenda No.5 - Appointment of Shri Arvind Narayan Yennemadi as an Independent Director

The Nomination Remuneration & HR Committee at its meeting held on August 02, 2022, considering the knowledge, profile, criteria of independence, expertise, vast and varied experience, matching to the requirements of the Company has determined the fit and proper criteria of Shri Arvind Narayan Yennemadi, (DIN: 07402047) and recommended to the Board for his appointment as an Independent Director.

Accordingly, the Board of Directors of the Company has appointed Shri Arvind Narayan Yennemadi (DIN: 07402047), on the Board of the Company with effect from August 04, 2022 as an additional director and as an Independent Director pursuant to Section 161, 149, 152 and all other applicable provisions of the Companies Act, 2013, on the recommendations of the Nomination Remuneration and HR Committee of the Board, subject to approval of appointment by the members. In terms of Section 161 of the Companies Act, 2013, Shri Arvind Narayan Yennemadi holds office as an additional director only up to the date of the ensuing Annual General Meeting.

In terms of Section 160 and all other applicable provisions of the Companies Act, 2013, your Company has received a notice in

writing from a member signifying their intention to propose the candidature of Shri Arvind Narayan Yennemadi for appointment as an Independent Director of the Company at the ensuing Annual General Meeting. Shri Arvind Narayan Yennemadi is willing to act as an Independent Director of the Company, if so appointed and has filed with the Company his Consent in writing to act as director in Form DIR-2 pursuant to Sec.152 of the Act.

Brief Profile of Shri Arvind Narayan Yennemadi, Independent Director pursuant to SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions, is provided in the table below:

| **Name of the Director** | **Shri Arvind Narayan Yennemadi** |
|---|---|
| **Director Identification Number (DIN)** | 07402047 |
| **Age** | 69 years |
| **Nationality** | Indian |
| **Date of first appointment on the Board** | August 04, 2022 |
| **Qualification** | Chartered Accountant from the Institute of Chartered Accountants of India, B.Com from Mumbai University, D.I.S.A. qualified. |
| **Brief profile & nature of expertise in specific functional areas** | Shri Yennemadi has over 45 years' experience in the audits of Public/ Private Sector Banks as Concurrent/ Statutory Auditor and has domain knowledge in the field of Taxation. Handled Audit function in Kamani Engineering Limited, Mumbai (May 1977 till March 1978) looking after the Site Expense Control & Monitoring. Practiced in a Partnership firm of Karnik Yennemadi & Co. (April 1978 till March 1996) Mumbai, mainly carrying out- Audits of Pvt. Ltd Co's (Client's in industries such as Automotive, Electricity Transmission, Heavy Engineering, Composite Textile Mill, Agricultural Produce & Marketing, Petroleum & Refinery, Courier Service, etc.)<br><br>He has handled Concurrent audits of Co-operative Banks/ NBFC's, Statutory/ Special Audits for branches of PSB's such as Oriental Bank, Andhra Bank, IndusInd Bank, Punjab & Sindh Bank, etc., Special Investigation Audits for MSFC, Central Bank of India, Bank of India on behalf of BIFR. He has been handling Call Back operations for Payment Control Division for HDFC Bank (CPU) since 2007 till date. Has recently carried out testing of Internal Financial Controls for a Foreign Bank. He also renders taxation services including representation at Appellate Level. Joined RAY & RAY, as Partner, having offices in all the Metros (April 1996 till Date).<br>He has also handled audits of Large Public Sector banks such as:-Bank of Baroda: Treasury (SITB) Ops/Money Market Ops, International Division, HO audit consolidation (Central Statutory Audit), Punjab National Bank (Branch Statutory Audit),Union Bank of India (Branch Concurrent audits), Punjab National Bank (Mid –Corporate Branch), Dena Bank (Treasury), State Bank of India (International Branches), Bank of India, Oriental Bank of Commerce, Axis Bank, Andhra Bank, Corporation Bank (All Branch/Statutory branch Audits) along with Statutory audits of FI's such as IFCI & IDBI. |
| **Terms and conditions of appointment & details of remuneration** | The draft terms and conditions of his appointment as Independent Director are mentioned below and would be available for inspection electronically and the same is available on the website of the Company www.canfinhomes.com |
| **No. of meetings of the Board attended during the year** | Not applicable.<br><br>Shri Yennemadi has been appointed as an Additional Director in the current financial year i.e., on August 04, 2022. The proposal for his appointment as an Independent Director is placed before the members in this Annual General Meeting. |
| **Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.** | Shri Yennemadi is presently working as a partner in RAY & RAY, Chartered Accountants and a Director in RAY & RAY Consultants Pvt. Ltd. |
| **Memberships/ Chairmanships of the committee of the Board of Directors of the Company /other Companies** | Nil.<br><br>He is not a member of any Committees of the Board of the Company/ other Companies. |

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| **Listed entities from which the Director has resigned in the past three years** | Nil. |
| **Number of shares held in the Company including as a beneficial owner** | As declared/confirmed by Shri Yennemadi, he is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis) and has not availed any loan from the Company. |
| **Disclosure of relationships between directors inter-se** | None of the Directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the Directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said agenda. |
| **Details of remuneration sought to be paid, if any** | Shri Arvind Narayan Yennemadi is eligible to receive sitting fee for attending the meetings of the Board (presently ₹30,000/- per meeting) and if he becomes the member of any Board Committee(s), he will be eligible for a sitting fee of ₹15,000/- per meeting. Additional chairing fee of ₹5,000/- for the Chairperson of the Board and Committees, if any, will be paid. The sitting fee will be reviewed and revised by the Board from time to time, within the ceiling limit prescribed under the Companies Act, 2013. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the Director in the performance of their role and duties. |
| **Justification for choosing the appointee for appointment (Skills and capability required for the role and the Director meets such requirement)** | In the opinion of the Board, Shri Arvind Narayan Yennemadi possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as Independent Director as specified in the Act and the SEBI Listing Regulations and that he is independent of the management of the Company. |

In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Act, Rules framed thereunder and the SEBI Listing Regulations, for being appointed as an Independent Director.

He is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Shri Arvind N Yennemadi, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment. He has also submitted a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and confirmed that he continues to satisfy the fit and proper criteria as prescribed and the Deed of covenants as required under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. He has also confirmed that he is not debarred from holding the office of Director by virtue of any order by SEBI or any other authority. He has also submitted the Notice of interest in terms of Section 184 of the Companies Act, 2013 (Form MBP-1).

Shri Arvind N Yennemadi has also complied with the requirements under Rule 6 of the Companies (Appointment and qualifications) Rules, 2014.

The Board has recommended for passing the resolution seeking the approval of members for the appointment of Shri Arvind N Yennemadi as an Independent Director of the Company with effect from September 07, 2022 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

Your Directors are of the opinion that Shri Arvind N Yennemadi fulfils the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 for appointment as an Independent Director and his appointment as an Independent Director would be in the best interest of the Company.

The draft letter of appointment of an Independent Director setting out the terms and conditions is available on the website of the Company. Consents, declarations etc., referred above would be available for inspection by the Members as mentioned in the notes to this Notice.

In terms of Sec.149, 150, 152 and other applicable provisions of the Companies Act, 2013 and related rules made thereunder, Shri Arvind, being eligible, is proposed to be appointed as an Independent Director from this Annual General Meeting until the conclusion of the Annual General Meeting of the Company of the year 2025.

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

In terms of Sec.161 of the Companies Act, 2013, the Additional Director appointed by the Board holds office upto the date of the ensuing AGM and he shall be appointed as a Director by the Members at this AGM. Hence, this agenda item is considered unavoidable in terms of MCA Circulars and forms part of this Notice.

## In respect of Agenda No.6- Appointment of Shri Anup Sankar Bhattacharya as an Independent Director

The Nomination Remuneration & HR Committee at its meeting held on August 02, 2022, considering the knowledge, profile, criteria of independence, expertise, vast and varied experience, matching to the requirements of the Company has determined the fit and proper criteria of Shri Anup Sankar Bhattacharya, (DIN: 02719232) and recommended to the Board for his appointment as an Independent Director.

Accordingly, the Board of Directors of the Company has appointed Shri Anup Sankar Bhattacharya (DIN: 02719232), on the Board of the Company with effect from August 04, 2022 as an Additional Director and as an Independent Director pursuant to Section 161, 149, 152 and all other applicable provisions of the Companies Act, 2013, on the recommendations of the Nomination Remuneration and HR Committee of the Board, subject to approval of appointment by the members. In terms of Section 161 of the Companies Act, 2013, Shri Anup Sankar Bhattacharya holds office as an additional director only up to the date of the ensuing Annual General Meeting.

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

Brief Profile of Shri Anup Sankar Bhattacharya, Independent Director pursuant to SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions, is provided in the table below:

| **Name of the Director** | **Shri Anup Sankar Bhattacharya** |
|---|---|
| **Director Identification Number (DIN)** | 02719232 |
| **Age** | 70 years |
| **Nationality** | Indian |
| **Date of first appointment on the Board** | August 04, 2022 |
| **Qualification** | BSc (Agri) Hons., University of Kalyani, West Bengal. |
| **Brief profile & nature of expertise in specific functional areas** | Presently he is an Independent Director on the Board of India SME Asset Reconstruction Company Limited (a SIDBI promoted Assets Reconstruction Company). He had served as the Director (CEO), IBPS, a premier Institute in the field of Selection, Assessment and Employment testing for banking organizations and a number of non-banking Institutions. He was member of the Governing Council of Indian Institute of Banking & Finance. He is an Honorary Fellow of Indian Institute of Banking & Finance.<br><br>He had served as the Chairman & Managing Director of Bank of Maharashtra. He has rich experience coupled with an in-depth knowledge of the Banking Industry from across various markets in India. During his career as a banker, he has handled several crucial portfolios like the Executive Director, Member of Audit Committee, Member of Management Committee, Member of Shareholders & Investors Grievance Committee, Member of Share Transfer Committee, Member of Committee to Monitor Large Value Frauds, Member of Committee of Directors (Vigilance), Member of Customer Service Committee, Member of Risk Management Committee and Member of Technology Committee.<br><br>He was also the member of the Management Committee of the Indian Banks Association (IBA) and the member of the personnel committee of the Indian Bank Association. From 1971 to 1992, he had worked in United Bank of India holding different positions ranging from officer to General Manager. As the General Manager he was posted in Head Office in Kolkata. As General Manager he had managed important portfolios like Human Resources, General Administration, Priority Sector, IT, Board and coordination.<br><br>In October 2008, he joined Indian Bank as its Executive Director. He also held the position of Chairman of subsidiaries of Indian Bank, viz. Ind Bank Merchant Banking Services Ltd., Indfund Management Ltd. and Ind Bank Housing Limited since July 2009.<br><br>He has participated in International Banking Summer School at Baden (Austria), workshops and training Programs organized by Administrative Staff College of India in Hyderabad, Indian Institute of Management (IIM) Kolkata, National Institute of Bank Management, Pune and Reserve Bank of India. |

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| **Terms and conditions of appointment & details of remuneration** | The draft terms and conditions of his appointment as Independent Director are mentioned below and would be available for inspection electronically and the same is available on the website of the Company at www.canfinhomes.com |
| **No. of meetings of the Board attended during the year** | Not applicable.<br>Shri Anup Sankar Bhattacharya has been appointed as an Additional Director in the current financial year i.e., on August 04, 2022. The proposal for his appointment as an Independent Director is placed before the ensuing Annual General Meeting. |
| **Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.** | Shri Anup Sankar Bhattacharya is presently a Director on the Board of India SME Asset Reconstruction Co. Ltd. |
| **Memberships/ Chairmanships of the committee of the Board of Directors of the Company /other Companies** | Nil.<br>He is not a member of any of the Committees of the Board of the Company.<br>He is a member in Audit Committee and Chairman of CSR Committee and Nomination Remuneration Committee of India SME Asset Reconstruction Company Limited. |
| **Listed entities from which the Director has resigned in the past three years** | Nil |
| **Number of shares held in the Company including as a beneficial owner** | As declared/confirmed by Shri Bhattacharya, he is not holding any equity share in the Company (both own and held by/ for other persons on a beneficial basis) and has not availed any loan from the Company. |
| **Disclosure of relationships between directors inter-se** | None of the Directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the Directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said agenda. |
| **Details of remuneration sought to be paid, if any** | Shri Anup Sankar Bhattacharya is eligible to receive sitting fee for attending the meetings of the Board (presently ₹30,000/- per meeting) and if he becomes the member of any Board Committee(s), he will be eligible for a sitting fee of ₹15,000/- per meeting. Additional chairing fee of ₹5000/- for the Chairperson of the Board and Committees, if any, will be paid. The sitting fee will be reviewed and revised by the Board from time to time, within the ceiling limit prescribed under the Companies Act, 2013. He is also eligible to receive re-imbursement of expenses incurred towards travel, hotel and other incidental expenses incurred by the director in the performance of their role and duties. |
| **Justification for choosing the appointee for appointment (Skills and capability required for the role and the Director meets such requirement)** | In the opinion of the Board, Shri Anup Sankar Bhattacharya possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as Independent Director as specified in the Act and the SEBI Listing Regulations and that he is independent of the management of the Company. |

In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Act, Rules framed thereunder and the Listing Regulations, for being appointed as an Independent Director.

He is not disqualified from being appointed as a director in terms of Section 164(2) of the Act. The requisite Form DIR-8 is received from Shri Anup Sankar Bhattacharya, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment. He has also submitted a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and confirmed that he continues to satisfy the fit and proper criteria as prescribed and the Deed of covenants as required under the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021. He has also confirmed that he is not debarred from holding the office of director by virtue of any order by SEBI or any other authority. He has also submitted the Notice of interest in terms of Section 184 of the Companies Act, 2013 (Form MBP-1).

Shri Anup Sankar Bhattacharya has also complied with the requirements under Rule 6 of the Companies (Appointment and qualifications) Rules, 2014.

The Board has recommended for passing the resolution seeking the approval of members for the appointment of Shri

Anup Sankar Bhattacharya as an Independent Director of the Company with effect from September 07, 2022 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder. He is not liable to retire by rotation.

Your Directors are of the opinion that Shri Anup Sankar Bhattacharya fulfils the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 for appointment as an Independent Director and his appointment as an Independent Director would be in the best interest of the Company.

The draft letter of appointment of an Independent Director setting out the terms and conditions is available on the website of the Company. Consents, declarations etc., referred above would be available for inspection by the Members as mentioned in the notes to this Notice.

In terms of Sec.149, 150, 152 and other applicable provisions of the Companies Act, 2013 and related rules made thereunder, Shri Anup Sankar Bhattacharya, being eligible, is proposed to be appointed as an Independent Director from this Annual General Meeting until the conclusion of the Annual General Meeting of the Company of the year 2025.

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

In terms of Sec.161 of the Companies Act, 2013, the Additional Director appointed by the Board holds office upto the date of the ensuing AGM and he shall be appointed as a Director by the Members at this AGM. Hence, this agenda item is considered unavoidable in terms of MCA Circulars and forms part of this Notice.

## In respect of Agenda No.7 - To borrow amounts not exceeding ₹35,000 Crore

At the 34th Annual General Meeting (AGM) of the Company held on September 08, 2021, the shareholders have accorded consent u/s.180(1)(c) and all other applicable provisions, if any, of the Companies Act 2013, by way of a special resolution, to the Board of Directors of the Company for borrowing money(ies) in excess of the aggregate of the paid up capital and free reserves of the Company upto a sum of ₹30,000 Crore (including temporary loans obtained from the Company's Bankers in the ordinary course of business). At the 28th Annual General Meeting held on July 08, 2015, the shareholders have authorised the Board of Directors of the Company u/s. 180(1) (a) to create security to the extent of the borrowing limits approved by the Members from time to time.

The total borrowings of the Company as on March 31, 2022 was ₹24,647.68 Crore. As per NHB/RBI Master directions, for the financial year ended March 31, 2023, the maximum amount that the Company can borrow shall not exceed 12 times of the net owned funds as per the last audited balance sheet. As on March 31, 2022, the NOF was ₹3,001.61 Crore (net of Dividend outflow) and hence our borrowing limit shall not exceed ₹36,019 Crore at the end of the year 2022–23. The Borrowing Power of ₹35,000 Crore sought by the Company will be valid till the outstanding borrowing of the Company reaches the limit approved at this AGM. Though the approved limit is higher than the projected book size i.e., ₹32,100 Crore for FY23, the limits will be availed by the Company only based on the actual requirement. However, a higher limit will help the Company to approach various Banks/ Institutions and have sufficient cost-effective funds at our disposal.

In view of the above, it is considered desirable to increase the Company's existing borrowing limit from ₹30,000 Crore to ₹35,000 Crore. In order to comply with the requirements under Section 180(1)(c) of the Companies Act, 2013, consent of the Members is sought through the resolution(s) proposed at Agenda No.7 by way of special resolution to enable the Board of Directors of the Company to borrow money(ies) upto a sum of ₹35,000 Crore (Rupees Thirty- Five Thousand Crore) only, including the temporary loans obtained from Company's Bankers in the ordinary course of business. Accordingly, the aggregate amounts borrowed, which are outstanding at a given point of time shall not exceed the limit of ₹35,000/- Crore as recommended by the Board to the Members for their consent.

The borrowings of the Company include term loans, overdraft facilities, issue of non-convertible debentures, commercial papers, acceptance of deposits from public, etc. All the related documents and registers referred to in the Notice, which do not form part of the Annual Report, if any, are available for inspection at the Registered Office of the Company.

None of the Directors are related inter-se. No Director or any Key Managerial Personnel or the relatives of the directors or Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in the said resolution, except for borrowings, if any, from Canara Bank, in which case Shri L V Prabhakar (MD and CEO of Canara Bank), Shri Debashish Mukherjee (Executive Director of Canara Bank) and Shri Amitabh Chatterjee (Dy. General Manager, Canara Bank) shall be deemed to be the interested directors.

The Board of Directors therefore, recommends the passing of the special resolution as set out at Agenda No.7 of this Notice, for approval of the Members.

As the Company is a housing finance institution and its main business is providing loans, borrowing through various sources is inevitable. Hence, this agenda item for enhancing borrowing limit is considered unavoidable and forms part of this Notice, in terms MCA Circulars.

## In respect of Agenda No.8 - Offer or invitation for subscription of Non-Convertible Debentures (NCDs) or bonds, secured or unsecured, of any nature upto an amount not exceeding ₹4000 Crore, on private placement

In terms of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013, a Company may, subject to the provisions of that section, make an offer or invitation for subscription of securities including non-convertible debentures by way of private placement. Further, in terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines by the Regulators or any other statutory authorities issued from time to time, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the Company by a Special Resolution, for each of the offers or invitations. In case of an offer or invitation for subscription to the Non-Convertible Debentures (NCDs), it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

At the 34th AGM of the Company held on September 8, 2021 approval of the Members of the Company was obtained for authorising the Board of Directors of the Company to Offer or Invite for subscription of 'Non-Convertible Debentures (NCDs)' upto an amount of ₹4000 Crore only, on private placement basis, in one or more tranches, during the period of one year commencing from the said AGM until the conclusion of the ensuing AGM.

During the year 2021-22 (subsequent to 34th AGM), the Company has issued NCDs in five tranches aggregating to ₹2,135 Crore with coupon rates varying from 6.10% to 6.85%. The SRNCD outstanding as on March 31, 2022 was ₹3,320 Crore, which works out to 13.07% of the total borrowings.

As per SEBI Circular SEBI/HO/DDHS/CIR/ P2018/144 dated November 26, 2018, SEBI has prescribed to raise one fourth (1/4) of incremental borrowings in a given financial year from debt market, which came into effect from April 01, 2019.

Keeping in view the business of the Company, the expected growth in the activities and operations of the Company, the requirement of additional funds through alternative sources and cost of each of such source, it is proposed to offer or invite subscription of bonds or NCDs or tier II bonds, onshore and/or offshore, which may or may not be classified as Tier II capital under the provisions of the RBI-HFC Directions denominated in Indian Rupees and/or any foreign currency, for cash either at par or premium or at a discount to face value, issuance of Redeemable Non- Convertible Debentures (NCDs), secured or unsecured, such other securities described above upto an amount of ₹4,000 Crore (Rupees Four Thousand Crore only), on private placement basis during the period of one year from the conclusion of the 35th AGM until the conclusion of the next AGM, in one or more tranches, subject to the condition that the amount accepted in the form of the said Non-Convertible Debentures / Bonds / such other securities together with the existing borrowings and future borrowings would be within the limits specified by the Members under section 180(1)(c) of Companies Act, 2013 and subject to compliance of all the applicable laws.

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

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

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

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

The Board of Directors recommend the passing of the special resolution as set out at Agenda No.8 of this Notice, for the approval of the Members.

The approvals given by the members, in terms of Section 42 of the Act, at the last Annual General Meeting (AGM) held on September 8, 2022 will remain valid only upto the date of this AGM. Hence, this agenda item is considered unavoidable in terms of MCA Circulars and forms part of this Notice.

## In respect of Agenda No.9 - Further issue of shares not exceeding ₹1000 Crore

In order to enable the Company to access the capital market at the appropriate time, the Board of Directors at their meeting held on August 04, 2022 has recommended to the shareholders for approval through special resolution for the proposal to create, offer, issue and allot Equity Shares not exceeding ₹1000 Crore.

The Company focuses on four key parameters viz., growth, asset quality, liquidity and profitability. The Company expects to grow at an average rate of 18% to 20% for the next five years. The expected growth rate necessitates infusion of fresh capital to build in adequate cushion in the borrowing capacity of the Company for next 3–4 years and to keep the Capital Adequacy Ratio as well as Leverage Ratio at comfortable levels.

At the 34th AGM of the Company held on September 08, 2021 approval of the Members of the Company was obtained for authorizing the Board of Directors of the Company for raising Tier I Capital – By way of issue of Qualified Institutional Placement (QIP). Since the growth did not pick-up as expected during FY 2021–22 due to Covid 19 second wave, the Company continued to deliver a better ROE, additional internal accruals had kept the CAR as well as leverage ratio at comfortable levels. Hence, the Company did not raise any capital during FY 2021–22, though approval was taken from the Members.

As per the Business Plan of the Company for 2022–23 approved by the Board of Directors, ₹32,100 crore has been projected as outstanding loan book as on March 31, 2023. Our loan book has grown by 20% for the FY22 and keeping in view the current scenario, we have projected ₹32,100 Crore as loan outstanding.

The Capital Adequacy Ratio of the Company as on March 31, 2022 was at 23.15% which was well above the regulatory requirement of 15%. However, the Leverage Ratio was expected to remain around 8% over a period of time. Generally, lender/banks are comfortable with DER of around 7–8% and hence, there is a need to infuse Tier-1 capital.

As the validity of the resolutions obtained in the 34th AGM for issue of shares by way of QIPs is restricted to one year, in order to increase the Company's Tier I capital, the Board of Directors have decided and to raise Capital to the extent of ₹1,000 Crores (including premium) through Follow-on Issue, and/or Rights Issue, and/or Preferential Issue, and/or Qualified Institutional Placement and other permitted mode of raising capital and recommended the same to the members for approval.

The Board seeks authorization for taking a decision on the time of issue, type of issue, number of shares to be issues, mode of issue, terms of the offer including the class of investors to whom the securities to be allotted, etc., considering market scenario, the cost, benefit, requirement of time etc., with reference to each of the alternative modes of raising funds.

The Regulation 41(4) of the SEBI (LODR) Regulations, 2015 provides that whenever any further issue or offer is being made by the Company, the existing shareholders should be offered the same on pro-rata basis unless the shareholders in the general meeting decide otherwise. The said resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the securities otherwise than on pro-rata basis to the existing shareholders.

The Resolution further seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by ICDR Regulations or any other mode to any other investors within the meaning prescribed under ICDR Regulations. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter V and/or Chapter VI of the ICDR Regulations for raising funds for the Company, without seeking fresh approval from the shareholders. In case of a QIP issue in terms of Chapter VI of ICDR Regulations, issue of securities, on QIP basis, can be made at a price not less than the average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the "Relevant Date". "Relevant Date" shall mean the date of the meeting in which the Board or Committee of the Company decides to open the QIP Issue.

Raising of Tier I Capital in any other mode will be made by taking necessary approvals and following the provisions of all applicable laws. The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price of shares to be issued. However, the same would be in accordance with the provisions of the ICDR Regulations and all other applicable provisions of any other guidelines/regulations/consents as may be applicable or required.

The Special Resolution, if passed, will have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution seeks the approval of the shareholders to undertake fund raising activity, through one or multiple modes including through an issue of QIP. The securities issued will be listed on one or more stock exchanges in India and the Company will make requisite disclosures to the stock exchanges under the provisions of the SEBI Listing Regulations.

If the Company does not obtain approval from the Members at this point of time, the same may have an impact on its liquidity ratio and other consequential inconveniences in the smooth functioning of the Company. Hence, this agenda item is considered unavoidable and forms part of this Notice, in terms of the Circular No.20/2020 and General Circular No. 02/2022 issued by the Ministry of Corporate Affairs.

For the reasons aforesaid, an enabling resolution is therefore

proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

The equity shares allotted, shall rank pari passu in all respects with the existing equity shares of the Company.

All the documents referred in the Notice are available for inspection at the Registered Office of the Company. The Board of Directors therefore, recommend the passing of the special resolution proposed at Agenda No.9 of the Notice.

The approval given by members for further issues of Capital by way of Qualified Institutional placement, at the last AGM held on September 8, 2021, will remain valid only for 365 days, i.e. upto September 7, 2022. Hence, the agenda item is considered unavoidable in terms of MCA Circulars and forms part of this Notice.

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

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

Sd/-
**Veena G Kamath**
DGM & Company Secretary

Place: Bengaluru
Date: August 04, 2022