



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

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THREE DECADES...
MILLION SMILES...



Corporate Information

CAN FIN HOMES LTD

Registered Office

#29/1, 1st Floor, Sir M N Krishna Rao Road
Near Lalbagh West Gate, Basavanagudi, Bengaluru 560004
Tel : 080-26564259, 080-41261144, Fax : 080-26565746
Email : investor.relationship@canfinhomes.com
Web : www.canfinhomes.com

AUDITORS

K P Rao & Co., Chartered Accountants
'Poornima', 2nd floor, 25, State Bank Road, Bengaluru 560001

PRINCIPAL BANKER

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

OTHER BANKERS

- State Bank of India • Bank of Baroda • HDFC Bank Ltd.
 - Oriental Bank of Commerce • Federal Bank
-

REGISTRAR & TRANSFER AGENTS

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
CIN : U85110KA1994PLC016174

DEBENTURES TRUSTEES

SBICAP Trustee Company Limited

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

CORPORATE IDENTITY NUMBER

L85110KA1987PLC008699

30TH ANNUAL GENERAL MEETING

Wednesday, June 28, 2017 at 11:00 AM
At J.S.S. Mahavidya Peetha, Shivarathreeswara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bengaluru 560082

SENIOR MANAGEMENT PERSONNEL

At Registered Office

Smt. Shamila M, DGM
Shri P V S Raju, DGM (Superannuated on March 31, 2017)
Shri Atanu Bagchi, DGM & CFO (KMP)
Shri Prashanth Shenoy, AGM
Shri V Durga Rao, AGM
Smt. Veena G Kamath, AGM & CS (KMP)
Smt. Reshma Mallya, CM
Shri S Mohana Krishnan, CM

In Operations

Shri Ajay Kumar G Shettar, DGM and Head DEL-Cluster
Shri B M Sudhakar, AGM and Head BLR-Cluster
Shri N Babu, AGM and Head HYD-Cluster
Shri G K Nagaraja Rao, AGM, BLR, Sahakarnagar
Shri A Madhukar, AGM, BLR, Jayanagar
Shri Murugan R, AGM and Head CHN-Cluster
Shri M Sundar Raman, AGM, CHN, Tambaram
Shri Jagadeesha Acharya, AGM, BLR, Cunningham
Shri Prakash Shanbogue B, AGM, BLR, Koramangala
Shri Sanjay Kumar J, AGM, NCR, Noida
Shri Srinivas Malladi, AGM, Vijayawada
Shri P S Mallya, AGM, NCR, Faridabad
Shri A Uthaya Kumar, AGM, BLR, Uttarahalli
Shri K Srinivas, AGM, HYD, Nampally
Shri Arun Kumar V, AGM, HYD, Gachibowli
Shri H R Narendra, CM, BLR, Hesarghatta
Shri Prashanth Joishy, CM and Head MUM-Cluster
Shri D R Prabhu, CM, BLR, Marathahalli
Shri R Madhu Kumar, CM, Coimbatore
Shri Jayakumar N, CM, CHN, Ambattur
Shri S N Venkatesh, CM, BLR, Sarjapur
Shri P Badri Srinivas, CM, HYD, R C Puram
Smt. Chitra Srinath, CM, BLR, K R Puram
Shri N Sivasankaran, CM, Trichy
Shri M Vinayak Rao, CM, BLR, Electronic City
Shri T T Achuthanand, CM, HYD, Kompally
Shri Naveen Prabhu M, CM, BLR, Begur
Smt. Mallika K Shetty, CM, BLR, Kanakapura
Shri R Hariharasubramaniam, CM, Madurai
Shri Santhosh Prakash Srivastava, CM, Jaipur
Smt. J Meenakshi, CM, BLR, Kengeri
Shri K S Kamath, CM, Devanahalli
Shri Pramodachandra G, CM, CHN, Thiruvallur
Shri Arunkumar Shastri, CM, HYD, Taranaka
Shri Rashmi Kanta Satapathy, CM, Bhopal
Shri R Jabak Kumar, CM, HYD, L B Nagar
Shri B Sreenivasa Rao, CM, Vishakapatnam
Shri M Jagannathan, CM, Hosur
Smt. Madhu Shetty, CM, BLR, Basavangudi
Smt. Ravika Datt, CM, BLR, HRBR Layout

BOARD OF DIRECTORS

Shri K N Prithviraj (DIN:00115317) - Chairman (Independent Non-Executive)

Shri Sarada Kumar Hota (DIN: 07491088) - Managing Director

Smt. P V Bharathi (DIN:06519925) - Promoter Non-Executive Director

Shri S A Kadur (DIN:06426985) - Promoter Non-Executive Director

Shri T V Rao (DIN:05273533) - Independent Non-Executive Director

Shri G Naganathan (DIN: 00423686) - Additional Director (Independent)

BOARD COMMITTEES

Audit Committee

Shri G Naganathan - Chairman

Shri S A Kadur - Member

Shri T V Rao - Member

Stakeholders Relationship Committee

Shri T V Rao - Chairman

Shri Sarada Kumar Hota - Member

Shri G Naganathan - Member

Corporate Social Responsibility Committee

Shri K N Prithviraj - Chairman

Shri Sarada Kumar Hota - Member

Shri G Naganathan - Member

Nomination and Remuneration Committee

Shri T V Rao - Chairman

Smt. P V Bharathi - Member

Shri G Naganathan - Member

Risk Management Committee

Smt. P V Bharathi - Chairperson

Shri T V Rao - Member

Smt. M Shamila - Member

Management Committee

Shri Sarada Kumar Hota - Chairman

Shri S A Kadur - Member

Shri T V Rao - Member

LISTING OF EQUITY SHARES

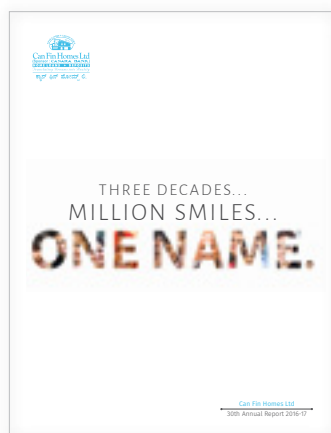
National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1,G-Block,
Bandra Kurla Complex, Bandra East, Mumbai 400051

CANFINHOME - Scrip Code : 511196

BSE Limited

Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai 400001



This year marks completion of three decades for our Company. The Annual Report cover draws inspiration from those million smiles of our customers that have been associated with us. We humbly thank them for choosing us as their preferred housing finance partner and look forward forging many more such enduring relationships in the years to come.



This Report is also available online on www.canfinhomes.com

What can be more priceless
than a genuine smile?

To be the reason behind it.



Thirty years ago, Can Fin Homes set forth on a journey of providing people with the means to buy homes. What began as a standard HFC, soon transformed into a passion of assisting people put roots to their lives. We realised that a home is more than just a shelter for our clients. It is the foundation to new beginnings; the culmination of a lifelong dream; the assurance of having done the best for one's family; the safe haven to be left behind for one's children.

The pride of having a place on this planet to call one's own.

A home is not just a structure of brick and mortar, but an emotion people carry in their hearts. That's what makes our task so daunting as well as rewarding. And that's why we have persevered for the past three decades, with strong focus, integrity and excellence, to make the dream of a home a reality for our clients. Our numbers are an indicator of our growth trajectory.

But at the end of the day, we count our true success by the number of smiles we've received from happy homeowners. And till date, there have been a million of them. It makes us proud, and also a lot more resolute to go on performing our best and change lives for the better.

Reaching this milestone has been an achievement. Our journey continues towards greater horizons and a lot more smiles!

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Forward Looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

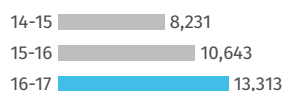
Performance highlights

In an ever-changing economic scenario throwing up challenges, our performance is a validation of our focus to improve profitability and continue creating wealth for stakeholders.

FINANCIAL PERFORMANCE

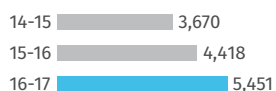
Loan outstanding
(₹ in Crore)

13,313



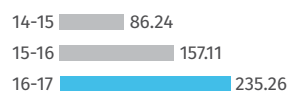
New Approvals
(₹ in Crore)

5,451



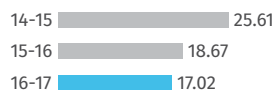
Net Profit
(₹ in Crore)

235.26



Cost to Income ratio
(%)

17.02



Average Business per Branch
(₹ in Crore)

97.88



*Excl. 10 AHLCs

GNPA
(%)

0.21

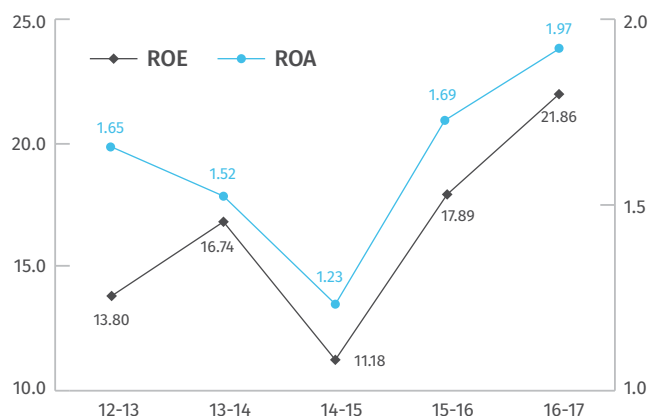


ROE
(%)

21.86

ROA
(%)

1.97



Net NPA
(%)

Nil



Net Interest margin
(%)

3.54



NON-FINANCIAL PERFORMANCE

Branches /
Satellite Offices

170



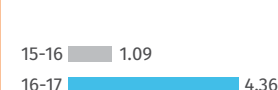
States
covered

19



CSR Spend
(₹ in Crore)

4.36



Book value per share
(₹)

404



Welcome to Can Fin Homes



Vision

Promoting home ownership, increasing the housing stock in the country and transforming the lives of Indian households by easy access to home finance.



COMPANY OVERVIEW

Incorporated three decades ago in 1987, Can Fin Homes was promoted by Canara Bank with a vision to make home ownership a reality. Can Fin Homes was registered as a housing finance company with National Housing Bank. Can Fin Homes has become one of the fastest growing housing finance companies in India. We are also an emerging player for non-housing loans, serving our customers for their diverse needs.



KEY STRATEGIES

In our pursuit of promoting home ownership, we are strengthening our presence in Indian housing finance space, enhancing our reach in affordable housing segment and developing new engines to drive growth. Aligning to the government's vision of 'Housing for All' we have introduced Affordable Housing Loan Centres.



PRESENCE

Headquartered in Bengaluru, Can Fin Homes is today present in 19 states with 170 branches and satellite offices. In last five years the Company has added more than 118 branches and satellite offices to reach out to maximum home loan aspirants.



1st

Housing Finance Company
to be started by any
Nationalised bank in India

600+

Team size

33

Average age of employee
(in years), perfect blend of
energy and experience

30

Journey spanning three
decades

30

Affordable Housing Loan
Centres (number) to be
setup by October, 2017

3,00,000+

Families assisted with home
loans since inception

Decades of excellence

1987

► Incorporated as a company on **October 29, 1987**

► Inaugurated our first branch at Jayanagar, Bengaluru on December 26, 1987



1988

Opened our first branch outside South India at Delhi



1989

We started providing loans to the NonResident Indians (NRIs)

1991

Our loan book size crossed

₹ 100 Crore

2012

► Our disbursements crossed

₹ 1,000 Crore

► Our **50th branch** was inaugurated at NCR-Pitampura

► We completed **25 years** of existence



2013

► We linked all our branches on an **online banking platform** (Integrated Business Suite) under the ASP (Application Service Provider) model. This was done to deliver effective service to our customers.

► We introduced three new loan products in our portfolio:

- Loans under Urban Housing (LUH)
- Flexi LAP (Flexible Loan Against Property)
- Gruhalakshmi Rural Housing Loan Scheme (GRHS)

► Our loan book size crossed

₹ 5,000 Crore

as on October 31, 2013



2014

- ▶ Our operating profits crossed
₹ 100 Crore
- ▶ We received AAA Rating for loans / NCD, A1 for CP
- ▶ We opened our **100th branch office** at Begur, Bengaluru on July 05, 2014
- ▶ Our **first satellite office** at Yelahanka, Bengaluru inaugurated on September 03, 2014



2016

- ▶ We opened **120th branch and 50th satellite office**
- ▶ Our loan book surpassed
₹ 10,000 Crore
(on January 31, 2016)
- ▶ Entered the top **500** club in BSE



2015

- ▶ We became midcap (₹ 1,000 Crore) size company (January 05, 2015)
- ▶ Our share price crossed **₹ 1,000** on stock exchange (NSE & BSE) on October 09, 2015
- ▶ Our net profit surpassed
₹ 100 Crore
as on December 31, 2015
- ▶ We expanded our presence to **19 States/ Union Territories**
- ▶ We raised capital of **₹ 276 Crore** under Rights Issue



2017

- ▶ We enter our **30th year** of commitment to promote home ownership
- ▶ Opened **10 Affordable Housing Loan Centres** in January 2017 - exclusive outlet for affordable home loans
- ▶ Clientele base crossed **1,00,000** accounts
- ▶ Our market capitalisation crossed
₹ 5,000+ Crore
as on March 31, 2017



Message to shareholders



The Government's initiative for 'Housing For All by 2022' and 'Pradhan Mantri Awas Yojana' (PMAY) are the much awaited triggers to boost the housing sector in the country.

SHRI SARADA KUMAR HOTA
Managing Director

DEAR SHAREHOLDERS,

Our Company was incorporated in the year 1987, which was declared by the United Nations as 'The International Year of Shelter for the Homeless'. The main objective of setting up the company was promoting home ownership and increasing the housing stock in the country, a noble objective indeed. Over the past three decades, CFHL has constantly endeavoured to provide homes to families for whom owning a home has always remained a dream. In these three decades, India's population has expanded, skylines of urban India have transformed to touch the skies and our country has emerged as the fastest growing economy in the world. With each decade, housing finance landscape changed, challenges and opportunities evolved and so did we.

We now stand at the threshold of our fourth decade with the same excitement as our founders, drawing

inspiration, passion and excellence to take our company to new frontiers. As we recall our past laurels and review our accomplishments for the year FY16-17, we have our focus clearly on the opportunities ahead of us, with our most precious assets, i.e., our team members, to build a bigger and stronger Can Fin Homes in the decades to come.

REVIEW OF 2016-17

The Country's economy is expected to register a GDP growth of 7.1% in the current fiscal. The year 2016-17 remained significant for the Housing Finance sector as well as the Real Estate sector. The Government's initiative for 'Housing For All by 2022' and 'Pradhan Mantri Awas Yojana' (PMAY) are the much awaited triggers to boost the housing sector in the country. Interest subvention of upto a maximum of ₹ 2.67 Lakh under Credit Linked Subsidy Scheme (CLSS) is

available to the first time home buyers from the Economically Weaker Sections and Low Income Groups seeking housing loans. The subsidy scheme has now been extended to MIG category of borrowers as well, with incomes of upto ₹ 1.50 Lakh per month; the initiative augurs well for real estate and housing finance sector.

Being at the helm of affairs of this organisation during such exciting times is indeed an opportunity to cherish. I'm pleased to report that we continued to uphold commitment levels, register record profitability, drive operational efficiency, invest in people, products, infrastructure and increase our business with focus on 'growth with quality'.

PERFORMANCE REVIEW

Our loan approvals grew at 23%, disbursements at 22% and loan

outstanding at 25% on a YOY basis, even as demonetisation slowed down real estate offtake in the second half of the year. We have been able to show a steady growth of loan book and reach a size of ₹ 13,313 Crore. Our CAGR of 38% over FY12-17 compares favourably with the industry average of 18%.

While our Assets under Management (AUM) has shown an impressive growth Year-on-Year, our profitability was not left behind. Our operating profit grew by 42%, net profit showed an increase of 50% and NII grew by 40% YOY. The easing liquidity position helped us rejig our borrowing basket resulting in reduction of borrowing cost from 8.75% to 8.35%. NIM grew from 3.24% to 3.54%. The cost to income ratio was contained at 17.02% as compared to 18.67% for the previous year. Our gross NPA, at 0.21%, is one of the lowest in the industry and the Net NPA remained Nil for the 8th consecutive year. The Company is well capitalised with a CRAR of 18% and Tier I ratio of 16.01% as against regulatory requirement of 12%. The ROE of 21.86% and ROA of 1.97% are aligned with our overall performance and recognising this, the market capitalisation crossed the mark of ₹ 7,000 Crore.

OPERATIONAL REVIEW

Our strong financials are a result of our resilient operating performance. We continued to expand our branch network delving deeper into our stronghold of southern states while we have made significant inroads in to newer geographies with potential. As on March 31, 2017, we had a branch network of 170 offices spread across 19 States & Union Territories, including 10 Affordable Housing Loan Centres (AHLCS) opened during the last quarter of the year FY16-17. The AHLCS were opened in upcountry locations to cater especially to the affordable housing segment, in

line with the Government's thrust to the sector. CFHL has been the first HFI to open such exclusive centres for granting loans under the affordable housing loan category. During the FY17-18, CFHL has plans to open 22 offices (12 branches and 10 Satellite Offices). The Company will also open 20 more AHLCS, taking the number of such exclusive outlets for affordable housing loans to 30, to commemorate its 30th year of operations.

The Company was operating in a 2 tier system since inception, which has now been changed to a 3 tier system for better growth, control and oversight. Five clusters have been formed, one each at Bangalore, Hyderabad, Chennai, New Delhi and Mumbai, with Senior Executives heading the clusters and overseeing 30-35 branches each. This has helped achieve operational efficiency in the Company.

Increasing urbanisation, rise in employment, higher disposable incomes and benefits offered to the sector in the Union Budget 2017 is expected to result in higher real estate offtake. Of the total loan approvals for the year, 88% were for housing loans and 12 % were for non-housing loans with an average ticket size of ₹ 18 Lakh for housing and ₹ 10 Lakh for non-housing segments respectively.

Of the total loan book of CFHL, 75.5% comprise salaried and professional category of borrowers. 96% of the total approvals were for borrowers, in the income bracket of upto ₹ 18 Lakh per annum, the re-defined limit eligible for affordable housing loan subsidy. The niche borrower segment, the strong clientele base of over a Lakh retail customers, the fast track approval systems and the efficient underwriting skills of our officers has instilled confidence in us to target a larger and wider clientele when the Nation is advancing towards Housing For All by 2022.

Our stock has marked its presence in the NIFTY 500 index as well as entered into the Futures and Options category. The year also witnessed the entry of M/s Caladium Investments Pte Ltd (an affiliate of GIC Singapore) as one of our stakeholders. They have acquired 13.45% stake from Canara Bank through a bidding process conducted by the Bank. The entry of such marque investor is a significant value addition in terms of confidence that the investors put on us.

While business was our main focus, as a responsible corporate citizen, we have fulfilled our Corporate Social obligations by disbursing ₹ 3.36 Crore towards infrastructure improvement in 123 schools across the country and ₹ 1 Crore towards the Prime Minister's National Relief Fund.

JOURNEY AHEAD

After three decades, we now stand at a pivotal moment in the history of our Company. With our glorified past and the achievements today as major sources of inspiration and with our enthusiastic, passionate and dedicated team members we are committed to continue the growth story of Can Fin Homes. Your company had drawn up a vision document that envisages a loan book size of ₹ 35,000 Crore by 2020, which keeps motivating us.

Our journey this far would not have been possible without the unstinting support and guidance of National Housing Bank, our regulator; Canara Bank, our parent institution; the Board of Directors, customers, stakeholders, Lenders, Lawyers, Valuers, Direct Selling Agents, Auditors and the Rating Agencies.

Best wishes

S K HOTA
Managing Director

Our business model



Spreading Smiles...

Our business is built to cater to housing needs of millions of people of India. Shortage of homes is still a stark reality. There is an increasing need to provide shelter to millions of people yearning to own a home.

OUR UNIQUE VALUE-PROPOSITION

There are several factors that make us a preferred HFC. Experience, strong credit mechanism, good governance structure, cost-effective borrowing portfolio, marketing strategies and tailor-made products are the hall marks of our functioning.

These factors have led us to emerge as the fastest growing HFC in recent times, enabling us to reach out to millions, grow our loan book and capitalise on growing demand.

The 'Housing for All by 2022' and 'Pradhan Mantri Awas Yojana' are the biggest initiatives in recent times for real estate sector. While the real estate developers are restructuring their business to cater to this agenda, we at CFHL will leverage our strengths to accelerate growth levels.



...with our competitive advantages...

DYNAMIC TEAM

Our 626 members team with an average age of 33 years have led the company forward. Effective and friendly HR policies backed by adequate training, reward and recognition have led to employee satisfaction and better productivity.

EXTENSIVE NETWORK

Our pan-India presence in 19 states catering to 88 cities is one of the key growth drivers. We have increased our network by four times since 2010. 25% of our new branches opened since 2010 have been outside South India.

TECHNOLOGICAL EXCELLENCE

Our expansion has been streamlined with our business operations, adding technological expertise. Linkages to all our branch network through an Integrated Business Suite (the CBS platform), ECS payment facility, SMS alerts, online application and online customer feedback are some of the investments we have made to derive better efficiencies.

SEAMLESS EXPERIENCE

Loan disbursement to our customers at minimum time is essential to our business. We have designed our credit appraisals, credit monitoring collection mechanism effectively. The result: Our turnaround time (TAT) is among the lowest in the industry.

GOVERNANCE

We aspire to be a company that is trusted and respected by all stakeholders, built around board-centric corporate governance system that ensures transparency and independent decision-making.



...to build a growing company

13,458 (₹ in Crore)

Assets under management for FY16-17

96%

Fresh approvals under HL to individual with income below ₹ 18 Lakh p.a.

55%

With annual income upto ₹ 6 Lakh (LIG)

30

New branches and satellite offices added in FY16-17

18 (₹ in Lakh)

Average housing loan ticket size for FY16-17

75.5%

Share of total loan book comprising salaried and professional segment

10

AHLCs set up in FY16-17

4.36 (₹ in Crore)

Amount spent under CSR activities in FY16-17

1,076 (₹ in Crore)

Shareholders fund as at March 31, 2017

422 (₹ in Crore)

Net interest income

88 (in ₹)

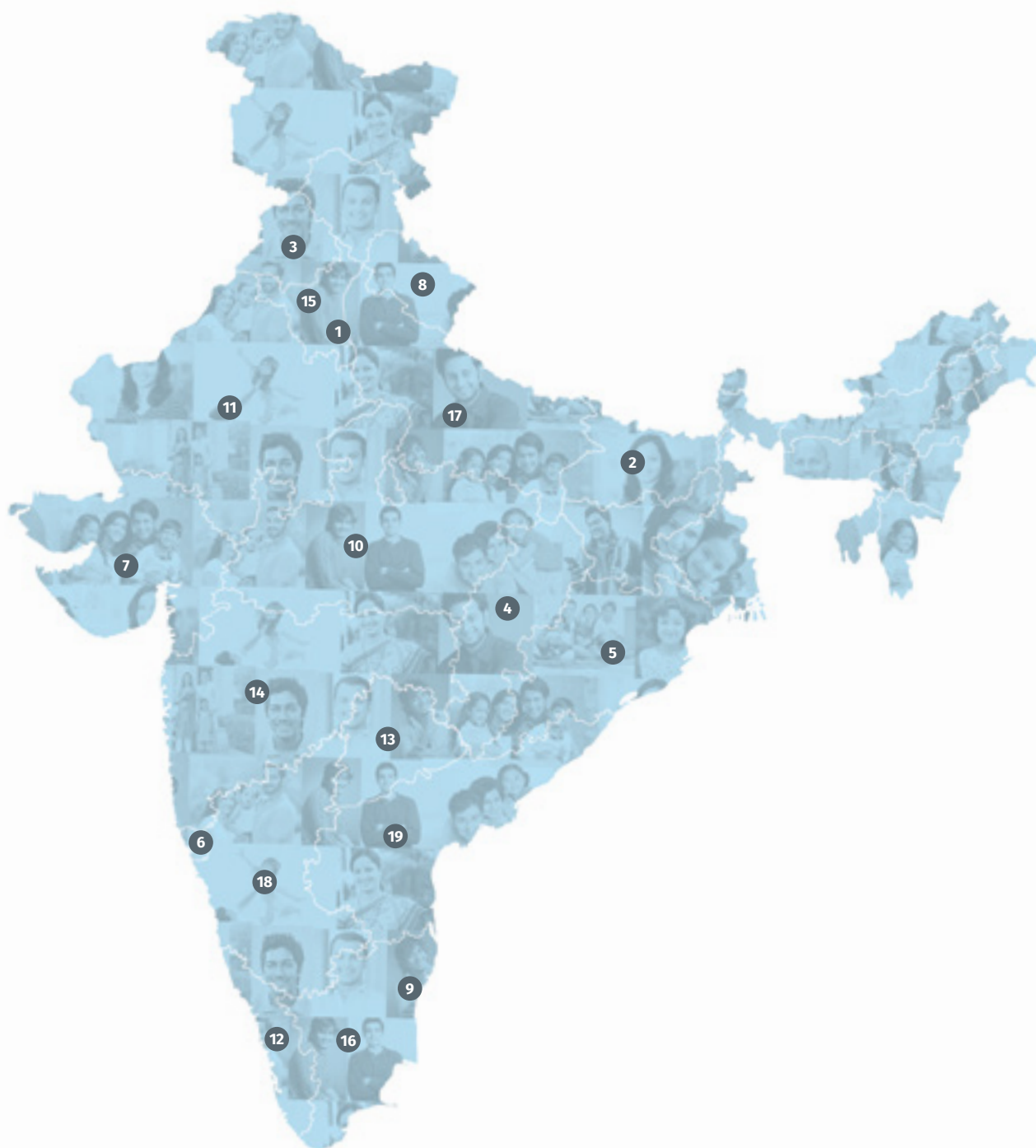
Earnings per share – up by 50% vs FY15-16

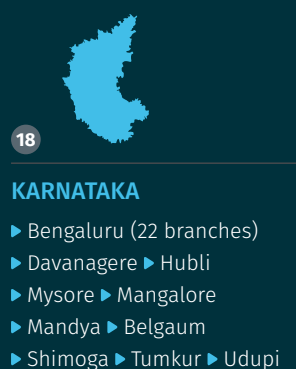
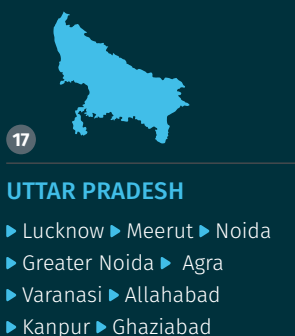
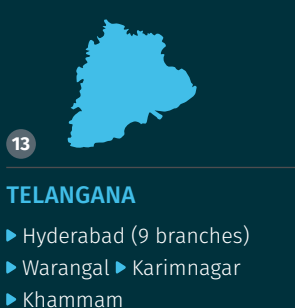
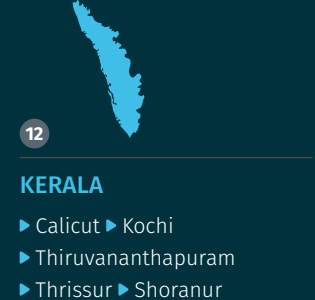
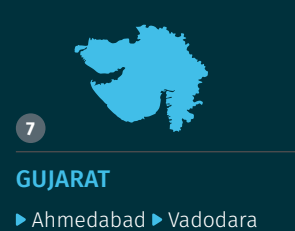
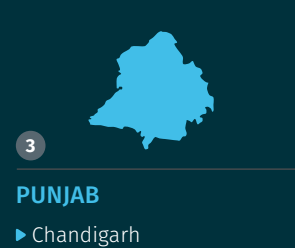
18.50%

Capital Adequacy as on March 31, 2017

Our reach

Our branch network has steadily extended across India's largest and fastest-growing economic growth zones, thereby augmenting the prospects of our growth in the coming years. Following is the list of branches and satellite offices as on April 30, 2017.





Business Plan Conference

Our business plan conference held at Bengaluru helped us map growth strategies for next year, while recognising and appreciating the hard work of our team members.



Award to Koramangala branch - biggest branch of the Company



Shri Rakesh Sharma - Managing Director and CEO, Canara Bank



Business strategies being discussed



Branch Managers at the conference



Best Cluster Award to Hyderabad



Shri K N Prithviraj - Chairman, Can Fin Homes Ltd



Shri T N Manoharan -Chairman, Canara Bank



Shri Dinabandhu Mohapatra - Executive Director, Canara Bank



Shri S K Hota - Managing Director, Can Fin Homes Ltd



Group Photo of the branch managers

Meeting responsibility with care



Inauguration of renovated Girl's hostel at 'Rajkiya Seth Anandilal Poddar Uchch Madhyamik Muka Badhir Sansthan', Jaipur



CSR initiative by CFHL at Raipur

We at Can Fin Homes, believe in empowering the future generation through the powerful medium of education. Through our CSR activities in the field of education and women empowerment we strive to ensure that the benefit of our activities reach those individuals who need it most. We will continue to remain steadfast in this endeavour through our CSR activities

EDUCATION

During the year under review, we have undertaken projects to provide/upgrade the facilities that were lacking in schools. We have extended aid for construction, renovation, and repair in

“Little by little, a little becomes a lot”.

- Tanzanian Proverb



CSR - Jodhpur



Inauguration of Sri Ramakrishna Vidyalaya School Building at Natarampalli, Tamil Nadu

120+

Number of schools benefitted under our CSR initiative for education

19 states /

66 districts / 88 cities

Coverage of CSR activities

1,00,00,000

Amount (₹) contributed to Prime Minister's National Relief Fund

4.36

Amount (₹ in Crore) spent in FY16-17

123 schools (mainly Govt. Schools). We have enhanced infrastructure in the schools by supplying basic amenities like benches, tables, chairs, almirahs, fans, green boards for the benefit of the students. We have also set up drinking water facilities, supplied books for school libraries and materials for laboratories etc, apart from need based repairs /renovation of classrooms.

WOMEN EMPOWERMENT

"You educate a man, you educate a man. You educate a woman, you educate a Generation". - Brigham Young.

In the educational sector we have given special focus for girl students. We have contributed towards toilets for girl children in government schools, renovation of girls hostel, provided scholarships to aspiring girl students etc.

CONTRIBUTION TO PRIME MINISTERS NATIONAL RELIEF FUND

In FY16-17 we made a contribution of ₹ 1 Crore towards Prime Minister National relief Fund. Our Participation is only a small step towards helping the relief activities.

Operational and Financial highlights

I – Statistics on Business

Sl No	Parameters	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Loan Approvals (₹ in Crore)	546	1105	2093	2907	3670	4418	5451
2	Loan disbursements (₹ in Crore)	473	859	1814	2548	3346	3923	4792
3	Total Loan outstanding (₹ in Crore)	2199	2674	4016	5844	8231	10643	13313
4	Out of 3 above,							
	i. Housing Loan (₹ in Crore)	2168.90	2608.62	3808.38	5350.27	7325.49	9381.32	11783.59
	ii. Non Housing Loan (₹ in Crore)	30.00	65.77	207.77	493.73	905.80	1261.81	1529.47
5	Borrowings (₹ in Crore)	1903.79	2300.30	3538.89	5268.53	7374.51	9443.96	11871.95
6	NPA							
	i. Gross NPA (₹ in Crore)	23.47	19.01	15.66	12.10	14.35	19.76	27.91
	ii. Gross NPA %	1.06%	0.71%	0.39%	0.21%	0.17%	0.19%	0.21%
	iii. Net NPA %	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7	Average Assets (₹ in Crore)							
	i. Housing loan	2119.40	2305.95	3146.86	4626.88	6261.20	8213.96	10496.27
	ii. Non Housing loan	31.06	40.47	103.09	320.32	708.62	1063.91	1387.61
	iii. Investments	42.04	38.54	20.82	20.31	20.18	24.36	32.46
	iv. Securitised Assets	43.19	2.55	0	0	0	0	0
	Total Average Assets (₹ in Crore)	2235.69	2387.51	3270.77	4967.51	6990.00	9302.23	11916.34
8	Average Borrowings (₹ in Crore)	1852.60	1993.63	2797.64	4298.98	6388.39	8401.58	10588.06
9	No. of Branches / Offices							
	i. Branches	41	52	69	83	107	110	134
	ii. Satellite Offices	0	0	0	0	10	30	36
	Total No. of Branches / Offices	41	52	69	83	117	140	170
10	No. of Employees	223	251	319	387	491	553	626

II - Statistics on Income & Expenditure

Sl No	Parameters	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
11	Interest Collected (₹ in Crore)							
	i. Housing Loan	218.94	270.49	359.35	511.61	690.76	896.10	1111.31
	ii. Non Housing Loan	3.92	5.82	18.28	44.03	95.76	146.67	192.61
	iii. Investment	3.39	2.94	1.08	1.41	1.37	1.64	2.15
	Total Interest Collected (₹ in Crore)	226.25	279.25	378.71	557.05	787.89	1044.41	1306.08
12	Processing Charges (₹ in Crore)	4.96	6.93	13.78	20.69	28.41	38.52	45.99
13	Other Income (₹ in Crore)	0.08	0.65	0.21	0.26	0.73	0.61	1.06
14	Total Income (₹ in Crore)	231.29	286.83	392.70	578.00	817.03	1083.54	1353.12
15	Interest Paid (₹ in Crore)	154.13	195.53	283.01	422.76	610.29	743.48	884.03
16	Net Interest Income (NII) (₹ in Crore)	72.12	83.71	95.69	134.29	177.60	300.93	422.05
17	Staff Cost (₹ in Crore)	10.93	11.01	15.73	17.90	24.75	33.06	39.36
18	Other Expenses (₹ in Crore)							
	i. Establishment	3.76	4.53	6.05	7.15	8.38	9.77	12.32
	ii. DSA Commission	0.09	0.94	4.33	6.33	7.56	7.78	9.91
	iii. Professional fees – IBS	0.00	0.00	1.00	1.93	2.39	2.78	2.99
	iv. Others incl CSR	2.07	3.10	4.42	5.38	6.13	6.66	11.55
19	Depreciation (₹ in Crore)	0.34	0.55	1.16	2.01	3.73	3.46	3.73
20	Bad Debts written off (₹ in Crore)	0.00	2.81	3.29	3.22	2.10	3.29	0.85
21	Operating Cost (₹ in Crore)	17.19	20.13	32.69	40.70	52.94	63.50	79.86
22	Total Cost (₹ in Crore)	171.32	218.47	318.99	466.68	665.33	810.27	964.74
23	Operating Profit (₹ in Crore)	59.97	68.36	73.71	111.32	151.70	273.27	388.38

Sl No	Parameters	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
24	Provisions & Taxes (₹ in Crore)							
	i. Standard Assets	0.15	11.00	6.85	8.00	12.00	14.00	10.65
	ii. Non Performing Assets	1.31	(3.61)	(8.24)	(3.56)	2.25	5.41	8.15
	iii. Income Tax	17.25	17.80	20.20	30.93	43.23	80.00	115.13
	iv. Deferred Tax Liability/(Asset)	(0.75)	(0.58)	0.78	0.01	7.98	16.75	19.78
	v. Prior Period Adjustment	0.00	0.00	0.00	0.23	0.00	0.00	(0.59)
25	Net Profit (₹ in Crore)	42.02	43.76	54.12	75.71	86.24	157.11	235.26
26	Share Capital (₹ in Crore)	20.49	20.49	20.49	20.49	26.62	26.62	26.62
27	Reserves (₹ in Crore)	290.47	327.09	371.68	431.81	744.87	851.42	1049.68
28	Deferred Tax Liability DTL /(Assets DTA)	(5.07)	(5.66)	(4.87)	(4.86)	21.61	56.87	113.65
29	Shareholder's Funds – Tier I (₹ in Crore)	305.89	341.92	387.3	447.44	771.49	878.04	1076.30
30	Number of Shares (in Crore)	2.05	2.05	2.05	2.05	2.66	2.66	2.66
31	Tier II Capital (₹ in Crore)							
	- SA Provision	0.15	11.15	18.00	26.00	38.00	52.00	62.65
	- Tier II Bonds	0.00	0.00	0.00	0.00	100.00	100.00	100.00
	Total Tier II Capital (₹ in Crore)	0.15	11.15	18.00	26.00	138.00	152.00	162.65
32	Dividend							
	i. Percentage	25	30	40	65	70	100	100
	ii. Amount (₹ in Crore)	5.12	6.15	8.20	13.32	18.64	26.63	26.63
	iii. Payout Ratio excl tax	12.19%	14.05%	15.15%	17.59%	21.61%	16.95%	11.32%
	iv. Payout Ratio incl tax	14.16%	16.34%	17.61%	20.58%	25.36%	20.40%	13.62%
	v. Dividend yield	2.33%	2.67%	2.94%	3.41%	1.15%	0.87%	0.47%
33	Book Value (BV) (FV of share ₹10)	151.69	169.63	191.40	220.80	290.03	330.09	404.32
34	Earnings per Share (EPS)(₹)	20.50	21.36	26.42	36.93	32.42	59.02	88.38
35	Return on Equity (ROE)	13.51%	12.59%	13.80%	16.74%	11.18%	17.89%	21.86%
36	Return on Average Asset (ROA)	1.88%	1.83%	1.65%	1.52%	1.23%	1.69%	1.97%
37	Closing Stock Price (CMP/NSE) (₹ as on 31st March)	10715	112.45	135.90	190.70	607.40	1154.35	2121.45
38	Market Cap (MC) (₹ in Crore)	219.66	230.52	278.60	390.94	1615.68	3070.57	5643.06
39	CMP/ Earnings (P/E Ratio)	5.22	5.26	5.14	5.16	18.73	19.56	24.00
40	CMP / Book Value (P/B Ratio)	0.71	0.66	0.71	0.86	2.09	3.50	5.25
41	Risk Weighted Assets (₹ in Crore)	1598.20	1961.04	2631.41	3421.11	4945.71	4979.64	6521.71
42	Capital Adequacy Ratio (CAR)	19.14%	18.00%	15.40%	13.84%	18.39%	20.69%	18.50%
43	Net Interest Margin (NIM)							
	a) Conventional	3.23%	3.51%	2.93%	2.71%	2.54%	3.24%	3.54%
	b) Including PC	3.45%	3.80%	3.35%	3.12%	2.95%	3.65%	3.93%
44	Cost to Income Ratio	22.28%	22.04%	29.80%	26.22%	25.61%	18.67%	17.02%
45	Average Business Per Branch (₹ in Crore)	56.71	47.94	49.38	61.65	6715	86.71	97.88
46	Average Business Per Employee (BPE) (₹ in Crore)	11.68	10.88	11.43	13.90	15.90	18.52	20.68
47	Average Yield on Assets	10.12%	11.70%	11.58%	11.22%	11.27%	11.24%	10.96%
48	Average Cost of Borrowings	8.32%	9.81%	10.11%	9.83%	9.55%	8.75%	8.35%
49	Interest Spread	1.80%	1.89%	1.47%	1.39%	1.72%	2.49%	2.61%
50	Gearing Ratio	6.22	6.73	9.14	11.78	9.57	10.76	11.03

Note:

- SL no. 32 for FY16-17 is subject to approval of Members at the AGM to be held on June 28, 2017.
- SL no. 27, 29 and 33 for FY16-17 is without considering the appropriations for Dividend and Dividend Tax.
- SI No. 42 for FY16-17 - CAR is after considering the Dividend cost in the Net owned funds.
- SL no. 45 for FY16-17 is excluding 10 AHLs opened in Q4 end by upgrading existing satellite offices.

Profile of the Board of Directors



SHRI K N PRITHVIRAJ

Chairman



SHRI SARADA KUMAR HOTA

Managing Director



SMT. P V BHARATHI

Director



SHRI S A KADUR

Director



SHRI T V RAO

Director



SHRI G NAGANATHAN

Director

SHRI K N PRITHVIRAJ, Chairman

The Chairman of the Board, Shri K N Prithviraj was appointed as Director on June 04, 2014. He is an independent and non-executive Chairman of the Company.

A Rank holder in M.A Economics and CAIIB(I), he was also a Fellow of Research in Economics, University of Madras. He has over 45 years of experience in the banking

industry. He held various positions as General Manager of Punjab National Bank, Executive Director of United Bank of India and Chairman & Managing Director of Oriental Bank of Commerce.

He was appointed as Administrator, Specified Undertakings of Unit Trust of India (SUUTI) in 2007 and also as

its Nominee Director on the Board of Axis Bank Ltd. (2008-2016). Presently, he is on the Boards of PNB Investment Services Ltd., National Financial Holdings Co. Ltd., IL&FS Infra Asset Management Ltd., Brickwork Ratings India Pvt. Ltd., Axis Finance Ltd. and Dwarikesh Sugar Industries Ltd. as non-executive Independent Director.

SHRI SARADA KUMAR HOTA, Managing Director

Shri Sarada Kumar Hota has been appointed as the Managing Director of Can Fin Homes Ltd. w.e.f May 19, 2016.

Shri Hota, a Post-Graduate in Agricultural Science, is a senior banker and General Manager of Canara Bank, with over 26

years of commercial banking experience, having served across the Country.

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

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

SMT. P V BHARATHI, Director

Smt. P V Bharathi is a Director of the Company, since September 22, 2014. She is a Post Graduate in Arts (M.A. and B.Ed.) and a Certified Associate of Indian Institute of Bankers (CAIIB).

Smt. P V Bharathi joined Canara Bank on December 06, 1982 and has more than 34 years of experience in the banking industry. She has served in different branches in the NCR Region and Tamil

Nadu. At present, Smt. P V Bharathi is the Executive Director of Canara Bank. She is also a Director on the Boards of Canbank Venture Capital Ltd., and Canara HSBC OBC Life Insurance Co. Ltd.

SHRI S A KADUR, Director

Shri S A Kadur is a director of the Company since June 07, 2013. Shri Kadur is a B.E. (Mechanical) engineering graduate and he began his career as a Technical Field Officer in Canara Bank

in February, 1984. During his tenure in the Bank for over a period of 33 years, he has served in different branches, including Prime Corporate branch at Pune and Chennai, Circle Office, Mumbai,

Corporate Merchant Banking Division, Mumbai and Risk Management Wing at the Head Office. At present, he is working as the General Manager, Prime Corporate Credit Wing, Head Office, Bengaluru.

SHRI T V RAO, Director

Shri T V Rao was appointed as a Director on February 01, 2014. He is an Independent Non-Executive Director of the Company. Shri T V Rao is a graduate in Commerce from S.V. University, Tirupathi(A.P) and Associate Member of the Indian Institute of Bankers (CAIIB). He successfully began his career in Union Bank of India (February 1975 till July 1991) and later joined the National Housing Bank (NHB) as Deputy Manager in July 1991. He was its Assistant General Manager till November 2007. Thereafter, he was the General Manager (Corporate Finance, Investment & Treasury) of the

Small Industries Development Bank of India (SIDBI) from November 2007 to December 2007. From there, he moved to Export-Import Bank of India in December 2007 as General Manager (Corporate Finance & Treasury). He was the Chief General Manager & Director (EC) of Export Import Bank of India spearheading its Training & Capacity Building initiative till his superannuation in June 2012. He continued in Export Import Bank of India as its Adviser & Director (EC) heading the same vertical till March 2014 when he finally retired from service.

Shri T V Rao has over 39 years of experience in Banking, Housing Finance and Foreign Trade sectors with specialisation in Management of Treasury, investment, corporate finance, securitisation, product development, Training, Research, capacity building and Regulation & Supervision of Housing Finance system. Presently, Shri Rao is an Independent Director on the Boards of LIC Housing Finance Ltd., STCI Finance Ltd., Kisan Mouldings Ltd., Electronica Finance Ltd., NATCO Pharma Ltd., Ladderup Finance Limited and Director on the Board of Fidas Tech (Pvt) Ltd.

SHRI G NAGANATHAN, Director

The Board of Directors have appointed Shri G Naganathan, FCA, on the Board of the Company with effect from September 07, 2016 as an Additional Director (Independent) pursuant to Section 161 and 149 and all other applicable provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

Shri G Naganathan is a rank holder in Chartered Accountancy and Cost

Accountancy. He has completed the Diploma in Information Systems Audit, Courses in Certified Information Systems Auditor and also Valuation Certificate. Presently, he is the Managing Partner in M/s. R K Kumar & Co., Chartered Accountants. He has put in a practice of 33 years in R K Kumar & Co. His areas of practice and expertise include statutory related attestation services, consultancy in direct taxes and FEMA and management advisory services.

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

Management Discussion and Analysis

With forward and backward linkages to several sectors and ancillary industries, the real estate sector is the second largest employer after agriculture sector and is slated to grow at 30 per cent over the next decade.

Indian economic overview

During the year 2016-17, the Indian economy continued to consolidate its macroeconomic stability. Fiscal deficit and current account deficit as a percentage of GDP improved. The growth rate of the economy during the first half of the FY16-17 was estimated at 7.2%, making India one of the fastest-growing major economies in the world. At the sectoral level, the growth rates for agriculture and allied sectors, industry and services sectors for the first half of the FY16-17 were estimated at 2.5%, 5.6%, and 9.2%, respectively.

Indian real estate industry

Overview

With forward and backward linkages to several sectors and ancillary industries, the real estate sector is the second largest employer after agriculture sector and is slated to grow at 30% over the next decade. The real estate sector comprises of four sub-sectors –housing, retail, hospitality, and commercial. The growth of this sector is complemented

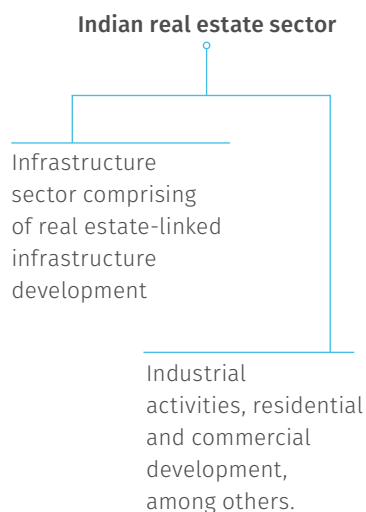
by growing increase in demand for office space and leading to rise in urban and suburban accommodation. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The Indian real estate sector

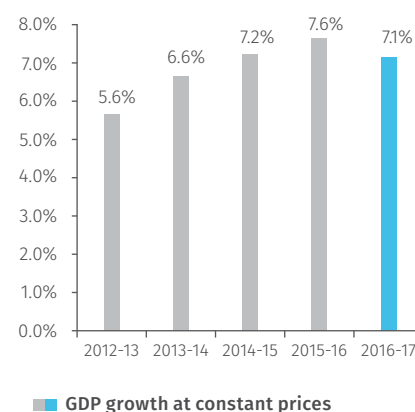
The fiscal year 2016-17 was a landmark year for the real estate sector with a number of path breaking reforms like the Real Estate Regulatory Act (RERA), Pradhan Mantri Awas Yojana (PMAY) scheme with interest subsidy, granting of infrastructure status to affordable housing etc.

RERA will be applicable for residential and commercial Real estate projects. The objective of the Act, among others, is to bring in transparency and enhance disclosures of project information, thereby enabling consumers to be better informed of the properties they are purchasing.

Budget 2017 has meaningfully enhanced the scope of 'affordable housing' and 'PMAY' for buyers, lenders and



India's GDP growth



(Source: report-economic-survey-state-of-india-s-economy-in-7-charts)

developers to include mass-market mid-income affordable housing.

The schemes like PMAY - 'Housing for all' is expected to boost the real estate sector.

The Indian real estate sector is expected to have doubled itself since 2008 and currently valued around ₹7 Lakh Crore. The Indian real estate sector, whose share

in the Indian GDP has stayed constant between 7-8% over the past five years, is expected to touch US\$ 180 billion by 2020; by growing at a CAGR of 11.2% in the period FY08-20. Presently the construction sector accounts for 8.2% of the GDP, 11.39% of the total output, and 11.5% of employment.

Commercial real estate

Office space absorption in 2016 across the top-eight cities amounted to 34 million square feet with Bengaluru recording the highest net absorption during the year. Information technology and business process management sector led the total leasing table with 52% of total space uptake in 2016.

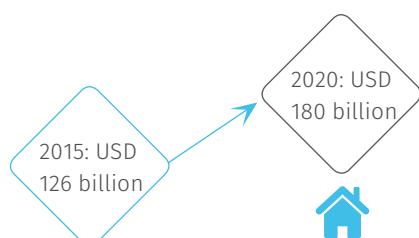
Residential real estate

The Indian housing and real estate sector, owing to delays in project completion, witnessed slowdown in

sales during the second half of FY16-17. Although the housing sector forms an important part of the real estate sector, there is ample area for growth as the quantum of housing shortage in India is huge. Presently, the number has gone significantly higher, as per the recent Government of India estimates, there is a shortage of about 60 million housing units, of which 20 million is in the urban areas and 40 million in rural areas. Of the housing need in urban areas, 70% is mainly in the affordable segment.

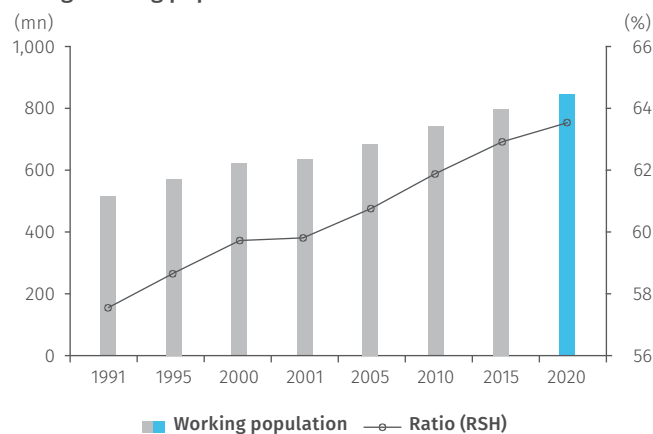
The population is estimated to be around 1.35 billion by 2022 and a decrease in average household size from 4.8 to 4.4 is expected to further propel the housing shortage, which is expected to reach 110 million units by 2022 - most of which would be in the affordable segment.

Annual market size expected to increase ~1.4 times (billion USD)

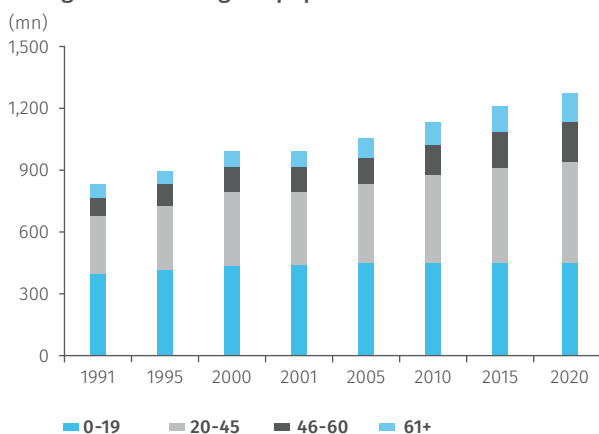


(Source: KPMG Report)

Rising working population of India



Rising low median age of population



Source: World Bank, AMSEC Research

Key demand drivers of the real estate sector

Growth in the service sector is expected to raise demand of real estate

About 10 million people per annum moving to urban cities

Household size is expected to decrease from 4.8 currently to 4.4

By 2020, India's middle class population is expected to reach 200 million and accelerate to 475 million by 2030

Focus on industrial corridors and nodes to boost manufacturing output – expected to raise related real estate demand

Urban cities are expected to contribute 75% of the GDP by 2030

Smaller household size is expected to add incremental demand for about 10 million new housing units

Per capita income in India is expected to increase from 2,800 USD in 2012 to 8,300 USD by 2028

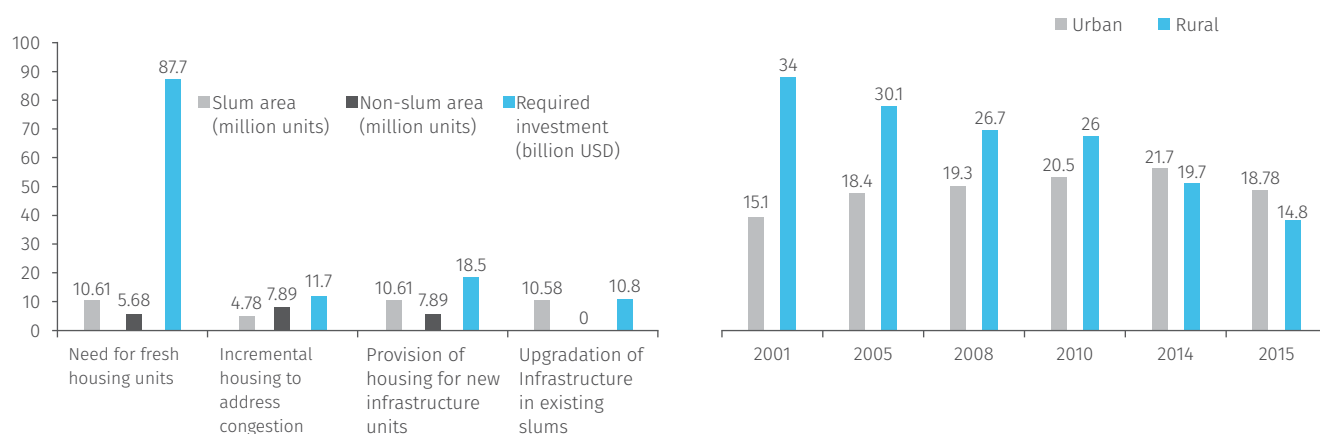
Economic growth

Urbanisation

Smaller family size

Rising income levels

Indian housing scenario and urban-rural housing shortage (million)



(Source: National Housing Bank, Ministry of Housing and Urban Poverty Alleviation and RBI)

Key budgetary announcements

- i. Under the scheme for profit-linked income tax deduction for promotion of affordable housing, the qualifying criteria for affordable housing has been revised to 30 square metres and 60 square metres on carpet area rather than on super built up area in the four main metros and non-metros respectively. This effectively increases the size of affordable housing market across India.
- ii. Introduced a new Credit Linked Subsidy Scheme (CLSS) for the mid-income group with a provision of ₹1,000 Crore. Tenure of loans under the CLSS of Pradhan Mantri Awas Yojana (PMAY) has been increased from 15 to 20 years, and the Budget also increased allocation to PMAY from ₹15,000 Crore to ₹23,000 Crore in the rural areas.

sections and low income groups seeking housing loans, an interest subsidy of 6.5 % for a tenure of 20 years or during tenure of loan whichever is lower. This has now been extended to MIG category of borrowers with incomes of upto ₹1.50 Lakh per month too, bringing within its reach a wide gamut of borrowers. The subsidy offered ranges upto ₹2.67 Lakh for a tenure of 20 years.

Smart cities: The Smart Cities Mission is a holistic city rejuvenation programme for 100 cities in India. Covering a period of five years i.e. FY15-16 to FY19-20, the project aims to provide technical expertise to enable Indian cities to implement innovative, climate-friendly and socially inclusive solutions for improving the quality of life in cities in a sustainable manner. In the first phase, the project is expected to cover around 39% of the urban area and benefit around 130 million people. So far, smart city proposals of 60 cities have been approved and are in the initial stages of implementation. The 60 cities are expected to have an investment outlay of about 22 billion USD between FY16 and FY20.

Infrastructure-linked real estate development: This scheme is aimed towards stimulating the growth of real estate through infrastructure development, mainly through transport

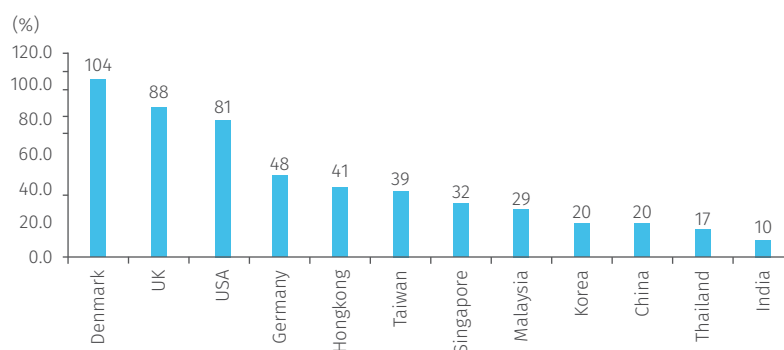
nodes like airports, railway stations, urban transport and ports. Concepts like aero city or city-side development or bus rapid transit system are some of the major attractions of the project. The project is expected to attract investments worth more than USD 20 billion over the next five years. The recent budget saw about ₹1,310 billion (USD 19.4 billion) allocated for railways and ₹64.9 billion (USD 0.9 billion) for highways which includes 2,000 kilometres of coastal roads, facilitating better connectivity between major port cities such as Mumbai, Chennai, Kochi and other cities and small towns.

Industrial corridors: The Central Government plans to undertake real estate development in major industrial corridors across the country, such as the Delhi-Mumbai Industrial Corridor (DMIC), Vizag-Chennai Industrial Corridor (VCIC) and Chennai-Bangalore Industrial Corridor (CBIC), to facilitate trade and make these industrial nodes as economic centres and help generate employment opportunities. The recent budget saw the government allocating around ₹14,000 million for the DMIC project. The total investment in the aforesaid corridors is expected to be over 100 billion USD towards the holistic development of industrial nodes, urban development, transport and logistics infrastructure.

Emerging trends

Affordable housing: With a vision of 'Housing for All by 2022', Government of India launched a flagship program 'Pradhan Mantri Awas Yojana (Urban) – Housing for All' on 25th June 2015 to meet the housing shortage among the urban poor. The housing requirement of the urban poor is being met through different verticals like redevelopment through private participation using land as a resource and the Credit Linked Subsidy Scheme (CLSS). The Credit Linked Subsidy Scheme (CLSS) offers people from the economically weaker

India still underpenetrated compared to global peers



Source: NHB, AMSEC Research

How would the banks, and housing finance companies benefit from the growth of the real estate sector?

The Indian economy would require an investment of around 1 trillion USD over the period of the next five to seven years to meet the increasing infrastructure and housing demand at the current growth levels. Around 70–80% of the demand is expected to come from the housing sector while the balance is expected to come from initiatives like smart cities, infra-linked real estate projects like airports, railways and urban transport, and development of industrial corridors like DMIC. Owing to the long gestation periods, most infrastructure projects require long-term financing in the range of 10–30 years. Globally, the major sources of long-term financing for

infrastructure projects have been insurance, pension funds and sovereign funds which are generally long-term investments with low credit risk. However, in India, as insurance and pension funds account for only a small percentage of household financial savings, there is very high dependency on banks, NBFCs and housing finance companies for infrastructure projects.

With the boom of real estate industry becoming a reality, it opens new opportunities for the financing companies and other related industry players like cement and paint among others. With a rising mortgage volume, banks, and housing finance companies could draw more investment interest.

reduction in real estate prices is desirable as it will lead to affordable housing for the middle class, and facilitate labour mobility across India, currently impeded by unaffordable rents.

Indian NBFC sector overview

The NBFC sector of India comprises 11,682 non-banking financial companies registered with the Reserve Bank, of which 202 were deposit-accepting (NBFCs-D) and 11,480 were non-deposit accepting NBFCs (NBFCs-ND), as of March 31, 2016. Till date, the success story of the sector has been quite incredible and over the years it's contribution to the GDP has grown steadily.

The factors that led to the success of the NBFC sector can be largely attributed to its better product lines, lower cost, strong risk management capabilities to check and control bad debts, and better understanding of their customer segments. Another major reason for its success is the NBFC's wider and effective reach.

Housing finance market in India

India's housing finance market is currently worth ₹9.7 trillion and has achieved steady growth over the last three years. The total housing credit outstanding in India as on March 31, 2016 was around ₹12.5 trillion as against ₹10.5 trillion as on March 31, 2015, indicating an annualised growth of 19% in FY16. The housing credit growth was supported by disbursements of construction linked loans, growth in the small ticket affordable housing segment and demand from Tier-II/III cities and some increase in primary sales during the festive season. While both banks and HFCs grew at a similar pace of 19% during FY16, the banking sector growth was largely driven by their ability to offer lower rates, their increased retail focus and balance transfers of existing

Governmental initiatives

FDI relaxation: The Central Government relaxed the FDI norms to attract further foreign investments in high capital intensive priority sectors like defence, building townships, housing and infrastructure. The government has allowed FDI of up to 100% for townships and settlements development projects.

New PPP initiatives: The Central Government revised the risk-return allocation between public and private sector in PPP projects and also introduced hybrid annuity-based PPP model in road sector and also proposed the same for other sectors like railways.

National Investment and Infrastructure Fund (NIIF): The Central Government plans to set up a National Investment and Infrastructure Fund with an aim to attract investment from both domestic

and international financial sources for infrastructure development in commercially viable projects.

Real Estate (Regulation and Development) Act, 2016: Approved in 2016 by both houses of the Parliament, the RERA aims at regulating and promoting the sector. The Act is also expected to help in terms of protecting the interest of the consumers, ensure smooth selling of plots, construction of apartments in an efficient & transparent manner and establish adjudication mechanism.

Outlook

Falling inflation, declining interest rates and above all, the recent fiscal stimulus announced by the government, will give an indirect push to construction and housing activities across the country. A

home loans. As for HFCs/NBFCs while the overall growth was at similar levels of 19%, the home loan growth for large HFCs (HFCs with assets under management greater than ₹450 billion) was lower at 15% (19% in FY15) vis-à-vis home loan growth of 36% for smaller HFCs (37% in FY15) during the same period leading to an overall growth of 19%. The portfolio growth of small HFCs benefitted from their increased focus on faster growing segments like affordable housing finance, self-employed borrower segments and rise in new entrants.

Growth drivers for the Indian housing sector

Rapidly rising urban population: India is projected to add 300 million new urban residents by 2050. In order to meet the needs of the growing population, it needs to build climate-friendly cities to address the challenge of accommodation. Rising demand for housing in tier II and tier III cities has led to an increase in housing finance requirement in urban areas.

Favourable government policies: With the recent focus of the government on the affordable housing segment, including a number of initiatives such as higher allocations vis-à-vis FY16-17 under the Pradhan Mantri Awas Yojana

(PMAY), extension of the credit-linked subsidy scheme to loans, Infrastructure status to Affordable Housing sector, Atal Mission for Rejuvenation, Urban Transformation and introduction of the Real Estate (Regulation and Development) Act, 2016 (RERA), efforts are being made to address supply, demand and affordability issues, which are likely to expand the borrower base.

Low mortgage penetration: Over the last couple of years the Indian mortgage industry has shown some promising growth numbers, as it continuously registered double digit growth numbers. India's housing finance market still remains under penetrated in comparison to many advanced and emerging economies, evidenced by its low mortgage-to-GDP ratio. Thus, a lower mortgage penetration compared to advanced and emerging economies implies a huge opportunity for growth.

Improving affordability: Rising disposable income, affordable housing loan interest rates and tepid property price inflation are expected to lead to rapidly increasing affordability.

Favourable funding scenario: RBI, SEBI and IRDA – All regulatory agencies are working in collaboration towards “Housing for All by 2022”

– The new guidelines from SEBI in February 17 increasing sectoral exposure in debt oriented mutual fund schemes from 15% to 25% at the sectoral level and an additional exposure not exceeding 10% over and above the limit of 25%, the only sector enjoying limit above 25% sectoral limit applicable for all other sectors

– Affordable housing has been granted infrastructure status in the 2017 budget - ECBs up to \$ 750 Mn per annum can be raised under automatic route

– RBI has reduced risk weights on bank lending to AAA rated HFCs to 20% from 100% enabling banks to lower the cost of funding to HFCs

– IRDA has exempted investments in AAA rated HFCs from sectoral caps thereby enabling insurance companies to freely invest in HFC debt instruments.

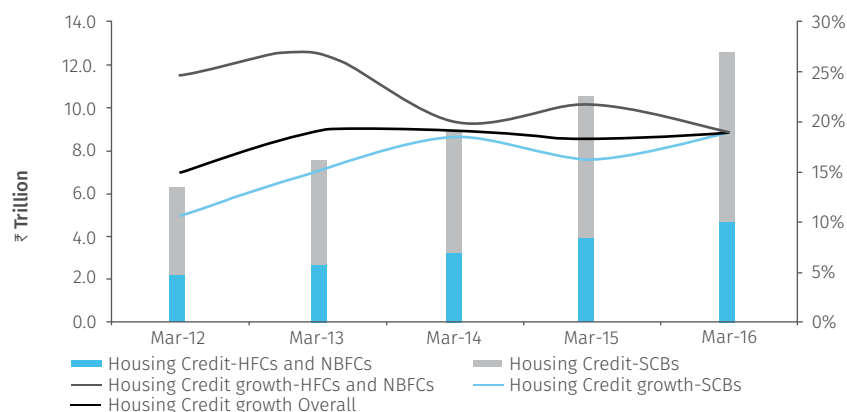
Outlook

The new ‘infrastructure status’ granted to affordable housing will augment resource allocation for the sector, which in turn will rev up housing supply and reduce huge demand backlog. Credit off-take towards affordable segment of housing will lead to creation of supply for buyers. The first home buyer and developer will now have access to cheaper funding. It will address supply side constraints, and act as a catalyst to meet the objectives of Housing for all by 2022.

Some of the initiatives taken to increase housing stock in the country are bound to encourage the developers to construct cost effective units which in turn is expected to benefit the home buyers. They are:

- (i) Affordable housing gains infrastructure status

Trends in housing credit growth in India



(Source: RBI, ICRA)

Despite slowdown in real estate market in some parts of the country, stiff competition from Banks & HFCs, the business performance of the company continued to be impressive during 2016-17. During the year, housing loans and other loans sanctioned (loan approval) were to the extent of ₹5,451 Crore (previous yr ₹4,418 Crore) registering a YOY growth of 23%.

- (ii) Tax relief on unsold stock to real estate developers as their liability to pay capital gains will arise only in the year of project completion.
- (iii) Carpet area instead of built up area, (30 sqm / 60 sqm) made applicable for affordable housing
- (iv) Holding period for capital gains tax for immovable property reduced from 3 years to 2 years
- (v) Indexation for capital gains shifted from April 01, 1981 to April 01, 2001

Another useful measure is permitting withdrawal of upto 90% of the employees provident fund to construct/ purchase a house. The balance can be withdrawn to service home loan EMIs.

For the home loan buyer, this means the 20% upfront amount for purchase of home can be paid from withdrawal of accumulated EPF corpus and home loan eligibility increases as the EPF amount is now available for paying loan EMIs.

With the above initiatives, the impetus given to the 'Housing for All by 2022' scheme and Smart Cities projects, the industry expects the next 12 months to be an action packed year for both the real estate and the housing finance sector.

Business segment review

Lending operations

Declining interest rate regime, easing inflationary pressure and increasing real value of money have sustained the demand for housing loans across the country during the year under review. During the months of December and January, though there had been an impact of demonetization on the sales and consequently demand for housing, there has been no major impact on our growth numbers. The exercise of demonetisation has cleansed the

system to a certain extent and has turned positive for the sector.

Easy money market and liberal monetary policy, reduction in repo rate and comfortable liquidity conditions during the year have helped in reduction of cost of funds. During the year, the policy of banks to charge rate of interest based on MCLR has also helped reduction in cost of funds. CFHL has reduced the rate of interest on housing loan and non-housing loan products to fall in the line with the market and has also introduced campaigns for loans with nil processing fee for housing loans canvassed directly by the branches.

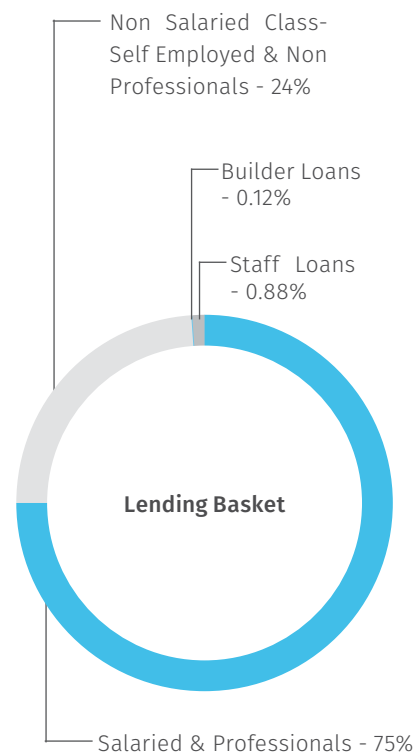
Despite slowdown in real estate market in some parts of the country, stiff competition from Banks & HFCs, the business performance of the company continued to be impressive during 2016-17. During the year, housing loans and other loans sanctioned (loan approval) were to the extent of ₹5,451 Crore registering a YOY growth of 23% (previous year 20%). During the year the loans disbursed were to the extent of ₹4,792 registering a YOY growth of 22% (previous year 17%).

The customer profile continues to be dominated by the salaried and professional category, accounting for 75% of the total portfolio, with 88% of the fresh loan approvals given to Housing sector. 96% of these fresh approvals were to individuals coming under the redefined affordable housing range (with annual income of less than ₹18 lakh).

The average ticket size of incremental housing loan and non-housing loans are ₹18 Lakh and ₹10 Lakh respectively.

Loan products

CFHL offers 24 loan products, under housing and non-housing, tailor-made for the niche customer segment it caters



to. The products basket covers individual housing loans for construction, purchase, extension, repairs and renovation, site purchase, composite loan, loans for rural housing, loans for urban housing etc and non-housing loans like mortgage loans, personal loans to existing customers, loans for commercial property, loans for rent receivables etc. During the year CFHL introduced a fixed loan product called IHL Super and products under Credit Linked Subsidy scheme (CLSS) under PMAY for EWS, LIG and MIG 1 & 2. The CLSS schemes fall within the purview of Govt of India's scheme – Prime Ministers Awas Yojana under 'Housing for All'.

Marketing and distribution

CFHL has a strong marketing and distribution network with a pan India presence. During the FY16-17, 10 new branches and 20 satellite offices were opened. Top performing satellite offices were upgraded to full-fledged branches. Further, CFHL introduced the concept of 'Affordable Housing Loan Centres' (AHLCs) to exclusively provide smaller ticket size Loans under CLSS, (PMAY) Urban Housing (LUH) and Rural Housing schemes. Under this initiative, the first tranche of 10 AHLCs were opened in Q4 by upgrading existing satellite offices. As at the end of FY16-17, CFHL has an expanded network of 170 outlets spread across 19 states comprising 124

branches, 10 AHLCs and 36 Satellite Offices. CFHL has been the first HFC to have exclusive Affordable Housing Loan centres to fall in line with the 'Housing for all' initiative by the Government.

During the FY17-18, CFHL has plans to open 12 branches and 10 SOs. CFHL will also open 20 more AHLCs, taking the number of such exclusive outlets for Affordable Housing Loans to 30, to mark 30th year of CFHL's commitment to promote home ownership.

Apart from the above branch network, the company utilises the services of direct selling agents (DSA) to source proposals/leads throughout the country wherein CFHL continues to exercise control over the credit appraisal of these proposals. There are 685 active DSAs engaged during the year and the business secured through them amounts to 54% of the sanctions for the year (53% during the previous year).

Funding Sources

CFHL has been raising funds for its lending activities by way of term loans, /credit lines from banks from refinance from NHB, money market instruments like Non-Convertible Debentures (NCDs) and Commercial Papers (CPs) and by way of deposits from the retail market.

During the year Canara Bank, following RBI instructions, sold a portion of their stake (13.45%) to M/s Calladium Investments Pte Limited (an affiliate of GIC Singapore) holding 30.57% stake as at the end of the year.

Credit Ratings as on March 31, 2017

For Deposits : "MAAA" by ICRA for its deposit schemes

Borrowings from Banks : 'AAA' for Long-term 'rating' for term loans

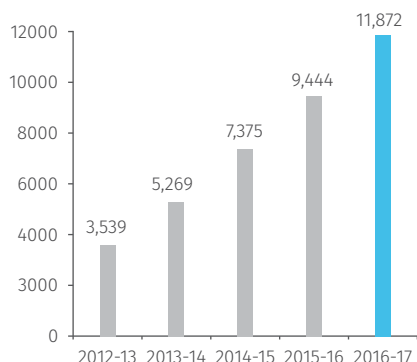
Debentures :

(i) **Secured Non Convertible Debentures** : AAA by CARE, India Ratings and Research Pvt. Ltd (FITCH), and ICRA Limited

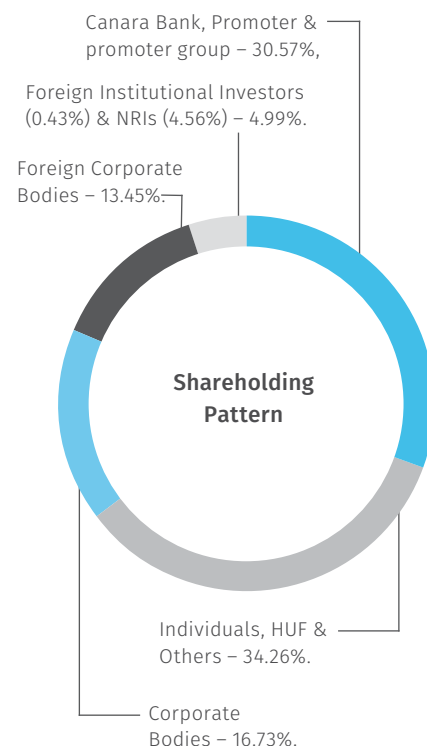
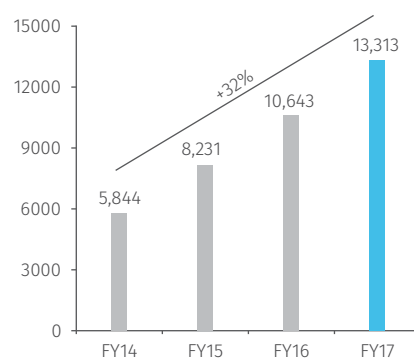
(ii) **Unsecured Non-Convertible Debentures** : AAA by CARE, India Ratings and Research Pvt. Ltd (FITCH), and ICRA Limited

Commercial Paper: A1+ rating by ICRA Ltd

Borrowings at a glance – A 5 year analysis



Loan Book Growth





Managing risks at CFHL

At CFHL, we believe that no business venture can eliminate in totality, all the different risks that are prevalent in the contemporary age. Hence, steps are taken on a continuous basis to understand the risks that our business might be exposed to and then undertaking relevant measures to mitigate the same. At CFHL, we believe that prudent risk management is the stepping stone towards a more balanced risk-reward paradigm. CFHL is primarily exposed to three types of risks – credit, operational and market. However there are some other risks as well which might affect the Company like interest rate risk, liquidity risk and economy risk.

Credit risk

Risk assessment

Credit risk represents one of the biggest threats towards the sustainability and profitability of a financing company.

Risk mitigation

The Company has in place a set of strategic credit policies, which help manage credit risks.

Secondly, the Company as a part of its risk management policy, regularly conducts checks to assess and monitor the creditworthiness of its existing customers and based on the assessment, necessary steps are taken.

For fresh approvals, the Company has in place a structured and standardised credit appraisal process including a comprehensive credit risk assessment process, which encompasses analysis of relevant quantitative and qualitative information to ascertain

the creditworthiness of each and every borrower. Additionally, the Company also avails the services of different credit assessment agencies to further evaluate the risk potential of a new customer.

The Company analyses a customer's credibility and financial discipline with the help of reports made available by the Credit Information Bureau of India Limited (CIBIL) and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), thus safeguarding the Company from the threats of financial entanglement.

Further more, CFHL has put in place different evaluating and monitoring systems like Individual Account Monitoring System (IAMS) and Offsite Transaction Monitoring System (OTMS) to have real-time access to information.

As a part of its prudent credit monitoring initiative the Company monitors its special mention accounts (SMAs) on a regular basis. System enabled MIS reports help review and analyse SMA trends (both period-wise and product-wise), allowing the Company to undertake corrective measures, if required, in advance.

Summary

All these proactive measures undertaken by the Company have helped sustain its profitability in the long run. Case-in-point: While CFHL's top line and bottom line have grown at a CAGR of 38% and 40% respectively over the last five years, the Company's GNPA has declined by 50 bps during the same period to stand at 0.21% in 2016-17.

Operational risk

Risk assessment

Any type of risk arising from any act relating to people, technology, infrastructure (including internal frauds) or some external factors, which can erode away the profit of a company is termed as an operational risk.

Risk mitigation

CFHL, has a strong and competent Systems & Procedures (S&P) Committee which regularly reviews the Offsite Transaction Monitoring System reports and continuously works on improving the process.

The Company officials undertake regular branch visits to check efficiency and to see whether the best practices are adopted or not and also put in place systems to manage operational risks on a real-time basis.

The Company across all its branches/ employees/TPEs and other outsourcing agencies, diligently follows the process manual formulated on the instruction of board members across all their day-to-day operations. Risk Based Internal Audits are conducted on an ongoing basis across all branches.

Furthermore, inputs from recovery, audit reports, vigilance reports and customer grievances are regularly collected and analysed to identify

the failures and detect the potential threats, so that timely actions can be undertaken to ward off the recurrence of any such operational risks.

Summary

CFHL has introduced the Cluster concept during the year, wherein five clusters have been formed with a senior executive heading the cluster. This has helped achieve operational efficiency in the company.

As preventive vigilance, the Company has developed the Off site Transaction Monitoring System to detect early warning signals on a near-to real-time basis.

The Company has put in place a whistle-blowing mechanism along with different committees like Board of Directors, Audit committee and Risk Management Committee (RMC).

Market risk

Risk assessment

The internal dynamics of a company are in the hands of the company but the external dynamics which are dependent on a number of external factors are to a great extent out of the control of the company which may give rise to risks such as liquidity risk, interest rate risk and funding risks and any one of them can seriously dent the Company's profitability.

Risk mitigation

The Company mobilises its funds optimally and within the tolerance level of asset-liability management. from a diversified borrowing basket

of lenders like banks, financial institutions, National Housing Bank, to reduce its dependence on a single fund provider. The Company has also diversified its borrowing profile with commercial papers and non-convertible debentures. This has not only helped the Company get funds at lower interest rates but also has helped manage liquidity with ease.

The Company as a strategy optimises its borrowings between short-term and long-term debt as well as floating and fixed rate instruments. Owing to the long gestation period of the loans

provided by the company, which might get impacted by the changes in the interest rate by the RBI, the company has moved onto MCLR regime thus helping the company in effectively managing the interest rate fluctuations. The Company provides loans at both fixed and fluctuating rates, thus hedging the change in interest rates.

Summary

Liquidity: The Company has a comfortable liquidity position and is adequately capitalised.

Asset liability management

At CFHL, risks related to liability and interest rates are managed quite efficiently by a competent and responsible team. In order to meet different maturity profiles of customers and to keep the inflows going, adequate credit is arranged from time to time to ensure that no constraints are faced by the Company. Several banks and other financial institutions offer credit to CFHL which makes sure that the Company's business operations are not interrupted. The liquidity position of the Company's assets and liabilities is regularly monitored and reviewed by the ALM committee. The committee also takes effective measures to increase the Net Interest Margin. Periodical meetings of the Risk Management Committee, Board of Directors and the Audit Committee are held to review the financial risks.

Internal audit

The Company is equipped with an efficient internal control team which ensures its operational efficiency.

The Audit Committee of the board reviews several audit reports by Risk based Internal Audit (RBIA), National Housing Bank (NHB), Canara Bank, Internal Audit Reports of different branches of the Company. The reports of standalone 'Application audit of IT systems' by the IT auditors and special audit for evaluating "efficiency of existing internal control systems" were reviewed by the Audit Committee. In addition to that, the operation and performance of the audit department are also reviewed by the committee at quarterly intervals. The Board has been reviewing the risk profile of the Company, KYC/AML compliances, legal compliance report, ALM at quarterly intervals and compliance of fair practice code, customer complaints at half-yearly intervals as per the regulatory guidelines.

All policies are critically analysed by the Risk Management Committee of the Board and reviewed/approved by the Board annually.

Asset quality

Risk assessment of the customers is made at the time of initial appraisal for the purpose of pricing and granting the loans. The company also makes a portfolio risk analysis at frequent intervals with its stringent review mechanism.

Gross NPA as at March 31, 2017 stood at ₹27.91 Crore (0.21%) as against ₹19.76 Crore (0.19%) of loan outstanding during the previous year, one of the lowest in the industry. The follow-up of the Special Mention Accounts (SMA) at the incipient stage, adequately assisted by technology has helped arrest slippages into NPA. Special campaigns were conducted every quarter with the involvement of staff of all branches.

With CFHL's relentless focus on asset quality, the Company has been able to maintain one of the lowest GNPA levels among its peers with zero net NPA level (100% provision).

Overview

1. Loan approvals, disbursement, outstanding loan book grew by 23%, 22% and 25% respectively.
2. Operating profit, net profit up by 42% and 50% YOY respectively, backed by NII growth of 40%.
3. Gross NPA continues to remain low at 0.21%.
4. Nil Net NPA (100% provision coverage) for successive 8th year.

5. 88% of fresh loan approvals during the year were for housing and 12% for non-housing loans.
6. Average ticket size of incremental housing loans and non housing loans are ₹18 Lakh and ₹10 Lakh respectively.
7. 75.5% of the total loan book as of March 2017 comes from salaried and professional segment.

Outlook for 2017-18

1. Business budgets for 2017-18 : Loan book size of ₹17000 Crore (from ₹13,317 Crore at March 17) in line with the Vision of ₹35,000 Crore for FY20.
2. Branch expansion plan for 2017-18: 12 new Branches and 10 Satellite Offices, 30 Affordable Housing Loan Centres (by upgradation of Satellite Offices)
3. Focus on Affordable housing with increase of AHLs.
4. Salaried and Professional category would continue to be niche segments

Financial review and analysis, 2016-17

Basis of preparation

The financial statements of the Company were prepared in accordance with generally accepted accounting principles (GAAP) in India. The financial statements were prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, as amended, and the relevant provisions of the Companies Act, 2013.

Financial performance review, 2016-17

(₹ in Crore)

Particulars	2016-17	2015-16	% growth
Total Income	1353.12	1083.54	25%
Total Expenditure	964.74	810.28	19%
PBT	370.17	253.86	46%
PAT	235.26	157.11	50%
EPS (₹)	88.38	59.02	50%

Analysis of Profit & Loss

- Gross earnings of the Company during 2016-17 increased by 25% over previous year while expenses were contained at 19% leading to a 42% rise in Operating Profit from ₹273.27 Crore in 2015-16 to ₹388.38 Crore in 2016-17.
- PAT for the year, at ₹235.26 Crore clocked a Y-o-Y growth of 50% and PBT for the same period grew by 46% to ₹370.17 Crore.
- The cost of the Company's employee benefits increased by 19% from ₹33.06 Crore in 2015-16 to ₹39.36 Crore in 2016-17. Other major increment under Non Interest Expenses was under CSR spend which increased from ₹1.09 Crore for 2015-16 to ₹4.36 Crore for 2016-17.
- NIM for the year stood at 3.54% compared to 3.24% in 2015-16, an increase of 30 bps.
- Pre-tax returns on average assets for the year stood at 3.11% whereas post-tax returns stood at 1.97%.
- RoE for the year under review stood at 21.86% against 17.89% in 2015-16. RoA for the year under review improved to 1.97% from 1.69% for the previous year.
- The Company's cost to income ratio for the year under review improved to 17.02% compared to 18.67% in 2015-16.
- For the 2nd successive year, the Company declared 100% dividend representing a payout ratio of 11.32%.

Analysis of Balance Sheet

Sources of Funds

(₹ in Crore)

Particulars	2016-17	% of Capital	2015-16	% of Capital
Equity share capital	26.62	0.20%	26.62	0.25%
Reserves & Surplus	1049.68	7.99%	851.42	8.15%
Net worth	1076.30	8.19%	878.04	8.40%
Loan funds	11871.95	90.32%	9443.96	90.38%
Deferred Tax Liability	113.65	0.86%	56.87	0.54%
Other Long-term Liabilities	82.06	0.62%	70.14	0.67%
Capital Employed	13143.96	100%	10449.01	100%

Capital employed

The total employed capital of the Company for 2016-17 stood at ₹13143.96 Crore, an increase of 25.79% from the previous year.

The long term borrowings of the Company as on March 31, 2017 stood at ₹8,028.25 Crore compared to ₹6,965.45 Crore in 2015-16, an increase

of 15.26%. The return on equity increased from 17.89% in 2015-16 to 21.86% in 2016-17.

The equity capital was similar to last year, whereas the net worth increased by 22.58% mainly on account of the increase in the reserves and surplus.

The Company's CAR (Capital Adequacy Ratio) as on March 31, 2017 stood at 18.50%, while the NHB's stipulation was 12%.

Net worth

The Company's net worth was ₹1,044.25 Crore (net of Dividend cost) as on March 31, 2017, which increased by nearly 19% compared to the previous year's ₹878.04 Crore as on March 31, 2016.

Reserves and surplus: The reserves and surplus increased from ₹851.42 Crore as on March 31, 2016 to ₹1017.63 Crore as on March 31, 2017. (net of Dividend cost)

Loan funds

The total long-term borrowings of the Company as on March 31 2017 stood at ₹8,028.25 Crore compared ₹6,965.45 Crore as on March 31, 2016. The gearing ratio stood at 11.37 at the year end well within the permitted limit of 16 times of the Company's net owned funds.

Application of funds

Gross block

The net block of Fixed Assets of the Company increased by nearly 14.43% from ₹8.89 Crore as on March 31, 2016 to ₹10.17 Crore as on March 31, 2017.

Correspondingly, depreciation expenses increased by 8% from ₹3.46 Crore in 2015-16 to ₹3.73 Crore in 2016-17.

Investments

Non-current investments of the Company increased 7% from ₹14.94 Crore as on March 31, 2016 to ₹15.94 Crore as on March 31, 2017.

Working capital management

Current Assets as on March 31, 2017 stood at ₹151.99 Crore against ₹115.44 Crore as on March 31, 2016, an increase of 31.67%.

Total current liabilities for the year increased by 49% from ₹2,785.46 Crore as on March 31, 2016 to ₹4157.38 as on March 31, 2017.

Cash and bank balances

The cash and cash equivalent for the year stood at ₹19.95 Crore compared to ₹17.35 Crore in the previous year.

Taxation

The Company's total tax liability increased by 44% to ₹115.13 Crore as on March 31, 2017 from ₹80 Crore as on March 31, 2016. The Company's deferred tax liability (DTL) for the year stood at ₹19.78 Crore compared to ₹16.76 Crore in 2015-16, an increase of 18%.

Prudential norms for housing finance companies (HFCs)

The National Housing Bank (NHB) has issued certain regulatory guidelines to HFCs on prudential norms for income recognition, borrowing powers, provisioning, asset classification, capital adequacy, concentration of credit/investments, accounting standards, credit rating, KYC (Know Your Customer), Fair Practice Code, Most Important Terms & Conditions (MITC) grievance redressal mechanism, recovery of dues, real estate and capital market exposure norms. CFHL has complied with all these regulatory guidelines.

According to the NHB prescribed prudential norms, an asset is a NPA in case the interest or the principal instalment is overdue for 90 days. HFCs

have to make provisions at prescribed rates depending on the age of the overdues and the income on such NPAs is not to be recognised. Apart from the provisioning on NPAs, HFCs are also required to carry a provision of 0.40% on standard individual housing loan, 0.75% of commercial real estate-residential properties and 1% on other individual non-housing loans/loans to developers. CFHL has complied with all the regulatory norms as prescribed by the NHB.

CFHL has carried adequate provisions on standard assets and as a prudent measure has created 100% provisions for the entire NPA amount of ₹27.91 Crore as against the regulatory requirement of ₹11.15 Crore. As a result, CFHL's net NPAs on outstanding loans of ₹13,313 Crore was Nil as on March 31, 2017.

Human capital

CFHL believes that the strength of the company depends on the commitment, dedication and professionalism of its workforce and its mission is to maximize the productivity of the company by optimizing the effectiveness and simultaneously improving the work life of the staff.

CFHL has introduced a single window matrix for quarterly evaluation of the performance of the staff with a fair and transparent system driven Performance Appraisal process. The company has promoted performance driven culture through reward and recognition schemes. CFHL's talent acquisition process includes induction of manpower with right skill sets and attitude, both under direct and lateral hiring routes. During 2016-17, the Company has recruited specialist

officers, i.e., Chartered Accountant, Company Secretary, Legal Officers, Risk Officers etc. With an average employee age of 33 years, CFHL has a good mix of energy and experience. Considering the growth of the company and increase in the scale of operations, the company has plans for fresh recruitment across various cadres during 2017-18. The total number of employees as on March 2017 was 626.

IT and security

All the branches of the company and the Registered Office are linked through a core banking platform (Integrated Business Suite) under the ASP model that provides a robust and secured IT infrastructure and reliable communication channel. The Company has taken required initiatives in maintaining data integrity and adequate control over data. IT security is ensured through periodical IS Audit, DR Drills and VAPT through competent auditors / agencies. To improve efficiency in customer service and improve the operational efficiency, the company has introduced a customer portal, mobile friendly website and online money transfers through the customer portal. During the year, the company has introduced the employee internet use monitoring and filtering policy, Firewall & Router security policy and DB password policy to ensure that the security of the database is not compromised.

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 a 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

CFHL has constituted a Corporate Social Responsibility (CSR) Committee of the Board and has put the CSR policy in place. The Company's CSR Policy focussed on promoting education including special education and employment enhancing vocation skills, women empowerment by promoting gender equality, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward group. During the year under review, CFHL had a four fold increase in its CSR spend from ₹1.09 Crore to ₹4.36 Crore which included infrastructure improvement in 123 Government schools across the country and ₹1 Crore contribution to the Prime Minister's National Relief Fund.

The particulars of the amount to be spent and reasons for not spending the balance, if any, are furnished in the Directors' Report. The Company's policy on Corporate Social Responsibility is uploaded on the Company's website for the information of all the stakeholders.

Cautionary statement

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date : May 15, 2017

K N Prithviraj
Chairman

Report of Directors

The Board of Directors of your Company are happy to recommend a dividend of ₹10 per equity share (100%) for the second successive year.

To the Members

Your Directors are pleased to present the 30th Annual Report of the business and operations of the Company together with the audited accounts for the year ended March 31, 2017.

1. Financial Results

The financial performance for the FY16-17 is summarised here below:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit before Tax & Provisions	38,838.06	27,326.61
Less: Provision for Standard Assets	1,065.00	1,400.00
Provision for Doubtful Debts (Written Back)	815.38	540.53
Prior Period adjustments	-58.85	0.00
Profit before Tax	37,016.53	25,386.08
Tax expenses:		
(a) Provision for Tax - Current Year	11,513.00	8,000.00
(b) Deferred Taxation	1,977.65	1,675.56
Profit after Tax	23,525.88	15,710.51
Balance brought forward from previous year	114.58	309.30
	23,640.46	16,019.81
Appropriations:		
Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961	6,400.00	5,500.00
Transfer to General Reserve	9,200.00	4,000.00
Additional Reserve (u/s.29C of the NHB Act)	4,800.00	3,200.00
Proposed Dividend	-	2,663.08
Tax on Distributed Profits	-	542.15
Balance carried forward to balance sheet	3,240.46	114.58
	23,640.46	16,019.81

2. Shareholders' Wealth

Particulars		
	Year ended March 31, 2017	Year ended March 31, 2016
Earnings Per Share (EPS) (₹)	88.38	59.02
Dividend Rate	100%	100%
Market Price of shares (₹)	2,121.45	1,154.40
Market Capitalisation (₹ in Crore)	5,643.06	3,070.70

3. Business Performance Highlights

a. Sanctions

During the year, the company has sanctioned loans amounting to ₹5451 Crore as compared to ₹4418 Crore in the previous year, recording a growth of 23%. Despite slowdown in real estate market in some parts of the country, stiff competition from Banks & HFCs, the business performance of the company continued to be encouraging during 2016-17.

During the year, your Company continued to focus on retail (housing and non-housing) loan segment which constituted 99% of its total sanctions. 88% of fresh loan approvals during the year were for housing and 12% were for non-housing loans. The cumulative loan sanctions since inception of your Company stood at ₹26,362 Crore at the end of the FY16-17. Average ticket size of incremental housing loans and non-housing loans are ₹18 Lakh and ₹10 Lakh respectively.

b. Disbursements

During the year, the company has disbursed loans amounting to ₹4,792 Crore as compared to ₹3,923 Crore in the previous year, recording a growth of 22%. The cumulative loan disbursements from inception to the end of the FY16-17 was ₹23,083 Crore.

c. Loans outstanding (Loan Book)

The total loan outstanding as at March 31, 2017 were ₹13,313 Crore, recording a growth of 25% over last year (previous year ₹10,643 Crore).

Your Company continues to grow in the high-yielding non-housing loan segment. During the year, non-housing loan portfolio has increased from ₹1,262

Crore to ₹1,529 Crore indicating a growth rate of 21%, which constitutes 11.86% of total portfolio.

d. Non-Performing Asset (NPA)

Your directors are pleased to report that the Gross NPA of your Company as on March 31, 2017 was contained at ₹27.91 Crore (previous year ₹19.76 Crore). The net NPA as on the date continued to be Nil, with the NPA Provision Coverage Ratio at 100% for the 8th year in succession. The gross NPA percentage as on March 31, 2017 stood at 0.21% compared to 0.19% as on March 31, 2016, one of the lowest in the industry.

During the year under review, your Company could make a cash recovery of ₹4.08 Crore (previous year ₹3.32 Crore) in respect of accounts which were Non Performing Assets as on March 31, 2016. Recovery in written-off accounts during FY16-17 was ₹0.37 Crore.

e. Profits

Your Directors are happy to inform that during the year under review, your Company recorded an Operating Profit of ₹388.38 Crore (previous year ₹273.27 Crore), Profit Before Tax (PBT) of ₹370.17 Crore (previous year ₹253.86 Crore) and Profit After Tax (PAT) of ₹235.26 Crore (previous year ₹157.11 Crore) registering a Year-on-Year increase of 42%, 46% and 50%, respectively. During the year Company has made provisions for standard assets amounting to ₹10.65 Crore (previous year ₹14.00 Crore), provisions for Non-performing assets amounting to ₹8.15 Crore (previous year ₹5.41 Crore), provisions for Taxation and Deferred Tax Liability amounting to ₹134.91 Crore (previous year ₹96.76 Crore).

f. Dividend

Your Company has been paying dividends continuously. Your directors, after giving due consideration to Capital Adequacy requirements, projected business plan for the year, deferred tax liability and the dividend policy, are happy to recommend a dividend of ₹10 per equity share (100%) for the second successive year, for the financial year ended March 31, 2017. The amount of dividend recommended for payment for the year under review is ₹26.62 Crore. The tax on dividends u/s.115-O of the Income Tax Act, 1961, at about 20.36% (₹5.42 Crore), is being paid to the Government by your Company.

4. Expansion of Branch Network

During the FY16-17, 10 new branches and 20 satellite offices were opened by CFHL while 4 top performing satellite offices were upgraded to full-fledged branches. Further, CFHL introduced the concept of 'Affordable Housing Loan Centres' (AHLCs) to exclusively provide smaller ticket size Loans under CLSS (PMAY), Urban Housing (LUH) and Rural Housing schemes. Under this initiative, the first tranche of 10 AHLCs were opened in Q4 by upgrading existing satellite offices. As at the end of FY16-17, CFHL has an expanded network of 170 outlets spread across 19 states comprising 124 branches, 10 AHLCs and 36 Satellite Offices. CFHL became the first HFC to start exclusive Affordable Housing Loan centres in sync with the 'Housing for all' initiative by the Government.

During the FY17-18, CFHL has plans to open 12 branches and 10 SOs. CFHL will also open 20 more AHLCs, taking the number of such exclusive outlets

for Affordable Housing Loans to 30, to mark 30th year of CFHL's commitment to promote home ownership.

The Registered Office and all the branches have good ambience, spacious premises and other facilities to enhance service quality and visibility in the market.

5. Technology Initiatives

All the branches and the Registered Office are linked through a core-banking platform (Integrated Business Suite) under the Application Service Provider (ASP) Model. The Company is also in the process of a tie-up with BSNL for a higher bandwidth MPLS lines.

In order to improve operational efficiency, your Company embarked on technology initiatives like the introduction of Online Application Module in the Company's website to receive applications online, mobile website, customer portal in the website to access account statements/certificates at customers' end, missed call facility to borrowers for their information about outstanding balances in their loan accounts, SMS alerts to remind borrowers of loan instalments/new schemes. Your Company has introduced online money transfer and customer portal to facilitate its borrowers to view their statement of account(s), generate certificates, product information and branch location.

6. Customer-Friendly Initiatives

The transparent, ethical, equitable practices adopted towards all customer segments is the hallmark of your Company. With the launch of customer portal, the company has taken a step in the direction of enabling the customer to get easy access to their account related information such as IT certificate, EMI payment details, balance outstanding

etc., at the click of a button. Your Company's website provides all the major information on the products and applicable charges. The Fair Practice Code (FPC) and Most Important Terms and Conditions (MITC) are made available on the website as per NHBs directions. The distinctive referral scheme wherein customers are benefited from the refund of their processing fees, upon referring new customers to the Company, is also one of our unique customer friendly initiatives. Emphasis continues to be placed on the reduction of the turnaround time (TAT) in sanctioning and disbursing loans at all levels in order to benefit the customers.

7. Financial Resources

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

During the year, your Company had availed fresh refinance amounting to ₹441.21 Crore (previous year ₹630.64 Crore) under the NHB refinance scheme. The cumulative NHB borrowings as on March 31, 2017 were ₹3,375.03 Crore (previous year ₹3,535.04 Crore), with the overall cost of borrowing (including the loans under Rural Housing and Urban Housing Schemes) of 8.23% p.a. as on March 31, 2017.

Borrowings from Banks

Your Company progressively reduced its dependence on bank borrowings. During the year, borrowings were diversified through a combination of short-term and long-term loans considering the asset liability management position to derive the maximum benefit of competitive interest rates. The lenders included HUDCO, State Bank of India, Bank of Baroda, HDFC Bank and Oriental Bank of Commerce apart from Canara Bank, the principal bankers to the Company. The aggregate bank borrowings (term

loans plus overdraft) at the end of the financial year stood at ₹2,247.65 Crore (previous year ₹2,536.58 Crore); the overall borrowings are within regulatory ceiling of 16 times of net owned funds.

The overall cost of borrowings (average) was 9.09% p.a. as on March 31, 2017. During the year, the long-term 'rating' for term loans for your Company was '[ICRA]AAA' (pronounced ICRA triple A) by ICRA Ltd., these ratings assumed to possess the highest degree of safety with regard to the timely servicing of financial obligations.

b. Debentures

(i) Secured Non-Convertible Debentures

In its continuing efforts to reduce fund costs, your Company issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures (SRNCD) aggregating ₹1,862 Crore (previous year ₹1,540 Crore) in different tranches through private placement with a coupon rate range of 7.57% to 8.55%. The debentures were secured by way of a floating charge on the assets i.e., loan receivables specifically earmarked for the purpose in favour of the Debenture Trustees. Most investors in these debentures comprised major insurance companies, public sector banks, corporates and investors of repute, indicating their safety perception in your Company's fundamentals and prospects.

The tenure of debentures is range bound for two to five years. The interest on these debentures was serviced regularly. The aggregate borrowings by way of Secured NCDs as on March 31, 2017 was ₹3,602 Crore (previous year ₹2,090 Crore) while the overall cost was 8.57% p.a.

The debentures were rated '[CARE] AAA' by CARE, 'IND AAA' by India Ratings and Research Pvt. Ltd (FITCH), and '[ICRA]

AAA' by ICRA Limited. 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 ₹6,000 Crore subject to cost benefit and asset liability management requirements and with the approval of members at ensuing Annual General Meeting.

(ii) Unsecured Non-Convertible Debentures

During FY14-15, your Company had issued 8.94% Unsecured Non-Convertible Debentures in the nature of Tier II Bonds aggregating ₹100 Crore for a tenure of 10 years. These debentures are subordinated to present and future senior indebtedness of the Company and qualify as Tier II Capital under the National Housing Bank (NHB) guidelines for assessing Capital Adequacy Requirements. These Tier II Bonds were rated 'IND AAA' long-term rating by India Rating & Research Pvt Limited (FITCH), '[CARE] AAA' by Credit Analysis & Research Ltd., (CARE) and '[ICRA] AAA' by ICRA Ltd. Your Company has serviced the interest on the above debentures on the due date.

c. Commercial Paper

Your Company mobilises funds through commercial paper (CP). The outstanding at the end of the March 2017 was ₹2,320.62 Crore (previous year ₹961.37 Crore). The effective cost of funds was 7.43% p.a. The CP issue by your Company was rated at the maximum [ICRA] A1+ rating by ICRA Ltd., indicating, 'Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations'.

d. Deposits

During the year your Company accepted deposits of ₹149.93 Crore (Previous

year ₹67.66 Crore). The outstanding balance of deposits (including interest accrued, but not due) as of March 31, 2017 was ₹226.65 Crore (previous year ₹220.97 Crore). The rate of interest on public deposits ranged from 7.50% to 8.10%, while the overall cost (average) of deposits was 8.83% p.a. as on March 31, 2017.

As on March 31, 2017, a sum of ₹20.09 Crore relating to 1,020 accounts of public deposits (₹17.06 Crore as on March 31, 2016 relating to 1,106 accounts) remained unclaimed/overdue. Of this amount, a sum of ₹2.29 Crore relating to 140 accounts (previous year ₹2.20 Crore relating to 239 accounts) were claimed and renewed/settled upto May 15, 2017. 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 are rated 'MAAA' (pronounced as M Triple A) by ICRA Ltd., indicating 'highest credit-quality' and that the rated deposit programme carried the lowest credit risk. Your Company, being a housing finance Company registered with National Housing Bank (NHB), has complied with the Directions/Guidelines issued by the NHB with regard to deposit acceptance and renewal. Your Company is exempted from the applicability of the Companies (Acceptance of Deposits) Rules 2014.

e. Mortgage-backed securities

Your Company did not opt for any securitisation during the year under review or during the previous year. There were no securitised assets outstanding as on March 31, 2017.

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

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

As per the National Housing Bank Circulars NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 and NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013, your Company has made a general provision @:

- (i) 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing,
- (ii) 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing, and
- (iii) 0.40% of the total outstanding amount of loans, which are Standard Assets other than (i) and (ii) above.

Loans to individuals for third dwelling unit onwards are treated as Commercial Real Estate (CRE) exposure. A provision

of ₹10.65 Crore was made in the books as on March 31, 2017 and the cumulative provision in that regard stood at ₹62.65 Crore as on the above date. The recognition of income and provision for all assets was made in the books as per the Guidelines on Prudential Norms applicable as of March 31, 2017.

Your Company this year has carved out ₹22.50 Crore from current year P&L and ₹37.00 Crore from General Reserves towards Deferred Tax Liability (DTL) as per NHB guidelines NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014 and NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014 and ensured full compliance of regulatory guidelines. Amount which is proposed to be transferred to reserves is given in detail in Note no. 3 of Notes forming part of the financial statements.

During the year the NHB has issued 3 new directions viz.,

- (1) Housing Finance Companies – Auditor's Report (National Housing Bank) Directions, 2016
- (2) Housing Finance Companies - Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016
- (3) Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016

Your Company has taken steps to comply with the requirements of all the applicable provisions of the above Directions for FY16-17. In terms of the CG Directions, the Company has given the "Related party transaction policy" as Annexure 7 to this Report.

The NHB had conducted Audit of 2014-15 during the previous year and raised an issue on the procedure followed by the Company since beginning on valuation of Government Security under HTM Category (Held to Maturity)

invested for SLR purpose. Since there is no change in regulations/procedures during the period, the matter has been represented by the Company and a final decision is awaited. These facts have been disclosed in the Notes to accounts.

Your Company has complied with the Accounting Standards issued by the ICAI, New Delhi, and other related statutory Guidelines/Directions as applicable to the Company from time to time. Compliance of all Regulatory guidelines of NHB/other statutes are periodically reviewed at Audit Committee/Board.

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 16-17. In accordance with Sec 134 (3) (a) of the said Act, an extract of the Annual Return in the prescribed format is appended as Annexure 4 to this Report.

During FY 16-17 Canara bank, Promoters of the Company had disinvested 35,80,849 (13.45%) equity shares of the Company and the shareholding of the Bank as on March 31, 2017 stood at 30%. The disinvested portion of 13.45% was purchased by M/s. Caladium Investments Pte. Ltd., Singapore, an affiliate of GIC, Singapore's Sovereign Wealth Fund.

10. Capital Adequacy

The Capital Adequacy Ratio (CAR) of your Company as at March 31, 2017 was 18.50% (previous year 20.69%), well above the Regulatory benchmark of 12% prescribed by the National Housing Bank (NHB).

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 Liability (DTL)

Vide Circular NHB (ND)/DRS/Pol.62/2014 dated May 27, 2014, the National Housing Bank (NHB) directed Housing Finance Companies (HFCs) to provide for deferred tax liability with respect to the balance in the Special Reserve created under Section 36(1)(viii) of the Income Tax Act, 1961 as on March 31, 2014 and permitted to adjust the same from retained earnings. Further, Vide Circular NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014, NHB permitted HFCs to adjust the Deferred Tax Liability in a phased manner over three years in the ratio of 25:25:50 starting from FY14-15. Accordingly the Company has to adjust the DTL of ₹7,399.96 Lakh in three years. The Company has transferred the third and final tranche of 50% being ₹3700 Lakh in this year ending March 31, 2017 from the General Reserves to DTL (₹3700 Lakh transferred in the previous two years). Further, Deferred Tax Liability (net) of ₹1,977.65 Lakh (previous year ₹1,675.56 Lakh) was charged to the Statement of Profit & Loss, on account of various components of asset & liabilities including Special Reserve appropriated during the current year.

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 188 defaulting borrowers under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest ("SARFAESI") Act, 2002 and recovered ₹8.94 Crore (previous year ₹2.66 Crore) from borrowers of Non-Performing accounts. By way of seized assets, your

Company has recovered ₹3.80 Crore (previous year ₹1.09 Crore). During the year, Company recovered ₹0.37 Crore in written off accounts (previous year ₹0.74 Crore). During the year, your Company negotiated one-time settlement (OTS) with eligible NPA borrowers as per its recovery policy and recovered ₹16.75 Lakh (previous year ₹86.08 Lakh).

14. Listing of Securities

The equity shares of the Company are continued to be listed on the BSE Limited (BSE), Mumbai, and the National Stock Exchange of India Ltd. (NSE), Mumbai. The listing fee payable to these Stock Exchanges were paid before the due dates. The Securities & Exchange Board of India, vide its letter dated December 26, 2014 bearing No. WTM/ RKA/MRD/165/2014, granted an exit to the Bengaluru Stock Exchange Ltd., (BgSE), Bengaluru.

Listing Agreement: The Securities Exchange Board of India (SEBI), has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on September 2, 2015 with the aim to consolidate and streamline the provisions of Listing Agreements for different segments of capital to ensure better enforceability. The Regulations were effective from December 1, 2015. Accordingly, as per the requirements, your Company entered into Listing Agreements with the National Stock Exchange of India Ltd and BSE Limited within the prescribed period. Smt. Veena G Kamath, ACS, is the Compliance Officer of the Company from FY 16-17 (Shri K S Sathyaprakash, FCS, was the Compliance Officer of the Company upto 31/05/2016). The Board of Directors has authorised the Company Secretary and the Chief Financial Officer, severally, for reporting disclosure of material events, if any, in terms of Regulation 30 of the said Regulations.

Dividend distribution policy is given as Annexure 8 as required under SEBI amended LODR Regulations.

15. Human Resources Development

The total number of employees of your Company was 626 (471 regular and 155 on contract) as on March 31, 2017 as against 553 (395 regular and 158 on contract) as at the end of the previous year. Attrition rate stood at about 3.50% for regular employees, which is far below the industry level.

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

Particulars of Employees:

During FY16-17, your Company had not employed anyone with a remuneration of ₹102 Lakh or more per annum nor had employed for a part of the year with a remuneration of ₹8.5 Lakh or more. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are furnished below:

- i. The ratio of the remuneration of Managing Director to the median

remuneration of the employees (regular employees) of the Company for the FY16-17 was 3.18 : 1 (Non-executive directors and Independent Directors are eligible for sitting fee only)

- ii. The percentage increase in remuneration in the financial year under the head Managing Director was 24%, of which part terminal benefits of the earlier Managing Director is also included (the remuneration of Managing Director is as per the Service Regulations of Canara Bank in terms of the resolution passed by the members at the General Meeting for appointment in the Company).

The Chief Financial Officer and the Company Secretary are employees of the Company and the percentage increase in their remuneration was 16.06% and 7.15% respectively.

- iii. The percentage increase in the median remuneration of employees in the financial year is 23.84%.
- iv. Apart from 471 permanent employees on the rolls of the Company, there were 155 employees on contract as on March 31, 2017.
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average % increase in remuneration of the employees as well as that of Managerial remuneration was around 10% during the period under review.

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

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". During FY16-17 no cases of sexual harassment were reported. 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.

16. Transfer of Unclaimed and Unpaid Dividend/ Deposit Amounts to the Investor Education and Protection Fund (IEPF)

In terms of (section 125 of the Companies Act, 2013 only section 125 (8) to (11) notified by MCA on September 05, 2016) the amounts (dividend, deposits etc., with interest) that remained unclaimed and unpaid for more than 7 years from the date they first became due for payment, should be transferred to IEPF.

As an investor-friendly measure, your Company has been intimating the respective shareholders / depositors / investors to encash their dividend warrant/renew matured deposits or lodge their claim for payment of due, if any, from time to time and claims made are settled. As per the statutory requirements, unclaimed deposits/

other dues for the previous seven years as of the date of the Annual General Meeting are made available on the website of MCA-IEPF as well as on the Company's website.

In order to receive prompt payment 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, 2017, dividends aggregating to ₹124.18 Lakh (previous year ₹98.34 Lakh) relating to dividends declared for the years FY09-10 to FY15-16 (of which ₹34.28 Lakh related to dividend for the year 2016), 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 2008-09, which remained unclaimed/unpaid amounting to ₹5.41 Lakh (in respect of 1,824 shareholders), was transferred to IEPF on October 3, 2016, 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 2009-10 remaining unclaimed and unpaid, amounting to ₹6.98 Lakh (in respect of 2,062 shareholders) as on March 31, 2017, would be transferred to IEPF during August 2017 after settlement of the claims received up to the date of completion of seven years i.e. on August 25, 2017.

b. Unclaimed deposits

As required under Section 125 of the Companies Act, 2013 (corresponding Section 205C of the Companies Act, 1956), the unclaimed and unpaid deposits together with interest for the year 2008-09 amounting to ₹0.72 Lakh (previous year ₹3.62 Lakh) that remained unclaimed and unpaid for a period of 7 years were transferred to IEPF during the year under review.

c. Transfer of shares to IEPF Demat account

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016 was notified by the Ministry of Corporate Affairs (MCA) on September 05, 2016. 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 Suspense Account (CFHL)

On verification of records of unclaimed dividend amounts from 2003 to 2009, which have already been transferred to IEPF on lapse of 7 years (during 2010 to 2016 respectively), 430 shareholders have not claimed dividend for consecutive 7 years and their shares are liable to be transferred to IEPF.

In terms of the above Rules, two reminders dated September 24, 2016 and December 02, 2016 were sent by the Company to all the 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 December 25, 2016, if they do not place their claim for unclaimed dividend amounts before the Company.

In the meantime, the action was stayed due to a General Circular No.15/2016 dated December 07, 2016 issued by the MCA informing that revised notifications will be issued.

Further, the MCA issued a revised notification dated February 28, 2017 extending the period for transfer, of unclaimed shares to IEPF Demat Account, upto May 31, 2017. The Company has sent a third reminder dated April 13, 2017 in this regard to 389 shareholders who have not claimed their dividend amounts for a consecutive period of 7 years, informing the said due date for transfer of shares to IEPF Demat account. Your Company has provided the IEPF Rules, the paper notifications issued and a list of the shareholders, whose shares will be transferred to IEPF in the Investor Page of the website of the Company.

17. Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure

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

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

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

During the year, your Company did not earn any income or incur any expenditure in foreign currency/exchange other than payment of Dividend to NRIs on repatriation basis to an extent of ₹26.73 Lakh through authorised dealers.

18. Directors & Key Managerial Personnel Appointments / Re-appointments:

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

- (1) Shri S K Hota, General manager of Canara Bank was appointed as the Managing Director with effect from May 19, 2016. His appointment was approved by the members at the 29th Annual General Meeting of the Company held on July 20, 2016.
- (2) Shri Naganathan Ganesan, FCA, was appointed as an Additional Director (Independent Director) with effect from September 07, 2016.
- (3) Shri Thallapaka Venkateswara Rao, Independent Director, has been re-appointed by the Board as an Independent Director for a period of one year from the conclusion of the ensuing Annual General Meeting upto the conclusion of the Annual General Meeting of the Company of the year 2018.
- (4) Shri Kokkarne Natarajan Prithviraj, Independent Director, has been re-appointed by the Board as an Independent Director for a period of one year from the conclusion of the ensuing Annual General Meeting upto the conclusion of the Annual General Meeting of the Company of the year 2018.

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

placed for approval by members at the ensuing Annual General Meeting.

The particulars of directors including their profile are provided in the Report of Directors on Corporate Governance forming part of this Annual Report. Further, the agenda relating to appointments / re-appointments of Directors are provided in the Notice of the 30th Annual General Meeting of the Company seeking approval from the members. The particulars relating to the Directors and all other relevant information are provided in the explanatory statement forming part of the said Notice for the information of members.

Retirement by rotation:

In terms of Section 152 and all other applicable provisions of the Companies Act, 2013, and the Articles of Association of the Company, Smt. P V Bharathi, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The particulars relating to Smt. P V Bharathi, Director are provided in the Report of the Directors on Corporate Governance. Your Directors recommend the re-appointment of Smt. P V Bharathi as a Director.

The agenda relating to re-appointment of Smt. P V Bharathi, Director, forms part of the notice convening the ensuing Annual General Meeting and all other relevant information as per SEBI Regulations are also provided in the explanatory statement.

Resignations:

Shri C Ilango, Managing Director of the Company had submitted his resignation with effect from May 18, 2016 (after office hours) consequent to his repatriation to Canara Bank.

19. Meetings of the Board

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

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

Committees of the Board

Currently the Board has six Committees viz. the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee, the Risk Management Committee and the Management 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) read with Section 134(5) of the Companies Act, 2013, and based on the information provided by the Management, the Board of Directors report that:

- a) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

- e) the Directors, in the case of a listed Company, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

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

The Independent Directors have given declarations to the Company in terms of with Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6).

Code of Conduct

In terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) 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 FY16-17. As required under Schedule V (D) of the said Regulations, a declaration signed by the Managing Director & Chief Executive Officer of the Company stating that the members of the Board and the Senior Management Personnel have affirmed compliance of their respective Codes of Conduct, is enclosed to this Report as Annexure 2.

21. Nomination and Remuneration Committee (NRC) Policy

Your Company has constituted a Nomination and Remuneration Committee (NRC) of the Board in terms of Section 134(3)(e) 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, consisting of 3 Directors. 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. The NRC Policy of the Company covering all the above aspects is made available on the official website of the Company at [http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments\(path\)](http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments(path)).

The Board ensures the annual evaluation of its own performance and that of its Committees and individual directors through the meeting of independent directors, the NRC and evaluation by each of the directors independently.

22. Corporate Social Responsibility (CSR) Policy

Your Company constituted a Corporate Social Responsibility (CSR) Committee of the Board as prescribed under Section 135 of the Companies Act 2013 and has put the CSR policy in place. The Company has focussed in promoting education including special education and employment in enhancing vocation skills especially among children. The company also focuses on women empowerment by Promoting gender equality, setting up homes and hostels for women and orphans; setting up

old age homes, day care centres, livelihood enhancement projects for the elderly & the differently abled. Reducing inequalities faced by socially and economically backward groups and contribution to Prime Minister's National Relief Fund also forms part of its CSR activities.

The activities undertaken by the Company under CSR initiative is on Pan India basis and the projects are executed by our branches in those areas. The total amount to be spent under the CSR initiatives for FY16-17 was ₹402 Lakh (previous year

₹372 Lakh), out of which projects sanctioned under CSR activities was ₹392 Lakh. The disbursements/ amount spent on the approved projects during 2016-17 is ₹436 Lakh which includes ₹155 Lakh of previous sanctions that are carried over. The unspent amount of ₹18 Lakh (₹8 Lakh pertaining to FY15-16 and ₹10 Lakh to FY16-17) is carried forward as per provisions of Companies Act with the aim to go in for granular details/ appropriate projects before spending in FY17-18. A summary of CSR details as on March 31, 2017 is given below:

Sl No.	Activities undertaken	No. of Beneficiaries	Amount in Rupees
1	Construction of Schools	6	39,40,412.00
2	Desks & benches/ Tables/ Almirah/ Green Board/ Chairs/ School Bags/ Books	124	215,80,691.00
3	Drinking water facility/ supply of other articles of necessity etc.	28	20,78,533.00
4	Repair and Renovation of schools	11	44,19,961.00
5	Electrical & Electronic Items	5	4,05,551.00
6	Toilet Facility	5	11,15,380.00
7	Scholarship	1	34,600.00
8	Contribution to Pradhan Mantri National Relief Fund	1	100,00,000.00
Total		181	435,75,128.00

The Annual Report on CSR activities including brief contents are provided as an Annexure 6 to this report.

23. Risk Management Policy

Your Company has constituted a Risk Management Committee with two directors and a senior executive of the Company. In terms of Section 134(3)(n) of the Act, your directors wish to state that your Company has drawn and implemented a Risk Management Policy including identification of elements of risks, if any, which may threaten the existence of your Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

24. Audit and Internal Control

Your Company strengthened existing internal control systems for loan reviews at periodical intervals and introduced measures for minimising operational risks commensurate with the nature of its business and size of operations. Further, your Company has reviewed delegation of authorities and streamlined standard operating procedures for all areas of its business/ operations/ functions, strengthened the Offsite Transaction Monitoring System (OTMS) to track transactions/early-warningsignals 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 credit inspection of your Company in December 2016 for the position as at March 2016. The compliance on the observations were submitted within the prescribed time to the NHB, which were reviewed by the Audit Committee and the Board.

Your Company has also put in place a well- defined policy on Risk Based Internal Audit (RBIA) and as per the

said policy, all the 120 branches that became due for audit, were audited in the FY16-17.

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

25. Secretarial Audit

The Secretarial Audit for FY16-17 was conducted as required U/s.204 of the Companies Act 2013, by S. Kedarnath and Associates, a firm of Company Secretaries in Practice. In terms of Section 204(3) of the Act, your Directors are pleased to inform that there was no qualification or observation or other remarks made by the said Company Secretaries in their Secretarial Audit Report. The Secretarial Audit Report issued by the Practising Company Secretaries is enclosed to the report of Directors (Annexure 3) in terms of Section 134(3) (f) read with Section 204(1) of the Act.

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(1)(a) the requirement relating to the disclosure is not applicable to a loan made, guarantee given or security provided by a housing finance Company.

Related Party Transactions:

The particulars of contracts or arrangements with the 'Related Parties' referred to in sub-section (1) of Section

188 of the Act are furnished in Note No.30 of the Notes forming part of the financial statements for FY16-17, forming a part of the Annual Report. The particulars of Related Party Transactions as required u/s sec 134(3)(p) and 134(3)(n) in the prescribed format is attached to this Report as Annexure 5.

26. Auditors

M/s K P Rao & Co., Chartered Accountants, Bengaluru, Statutory Auditors of your Company (Firm Registration No.003135S) appointed by the members at the 29th Annual General Meeting (AGM) of your Company held on July 20, 2016 and other 53 firms of branch auditors who were appointed by the Board based on the approval of the members at the above AGM, to hold office from the conclusion of the said meeting until the conclusion of the ensuing AGM of your Company, would retire at the ensuing AGM. Considering the applicability of the Companies (Audit and Auditors) Rules, 2014, M/s K P Rao & Co, are not eligible for reappointment as Statutory Auditors for your Company for the FY17-18 as they have completed 3 years from the applicability of the Companies (Audit and Auditors) Rules, 2014.

Your Directors recommend the appointment of M/s. Varma & Varma, Chartered Accountants (Firm Regn. No. 004532S) as the Statutory Auditors. The resolutions seeking approval of the members for appointment of Statutory Auditors and fixation of their remuneration and authorisation to the Board of Directors for appointment of Branch Auditors and fixation of their remuneration are included in the notice convening the ensuing Annual General Meeting. The above said appointment attracts the provisions of Section 139,142, 143 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules. Your Company has

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

Statutory Auditors Report

In terms of Section 134(4) and 134(3)(ca) of the Act, your Directors are pleased to inform that, as in the previous years, there is no qualification, reservation or adverse remark or disclaimer made by the statutory auditors of the Company in their audit report for the financial year FY16-17.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its Business, adherence to its policies, safeguarding its assets, prevention and detection of frauds/errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. M/s K P Rao & Co, the Statutory Auditors of the Company have audited the Internal Financial Controls over the Financial Reporting of the Company and submitted a Report, which forms part of the Auditors' Report, placed before the members together with the Financial Statements for FY16-17.

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

significant and material orders passed by the Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

On January 18, 2016, the Press Information Bureau, Government of India, Ministry of Corporate Affairs (MCA) issued a note outlining the road map for implementation of Indian Accounting Standards converged with IFRS (Ind AS) for Scheduled Commercial Banks (excluding RRBs), Insurance Companies and NBFCs. Companies having Networth of more than ₹500 Crore shall comply with the Indian Accounting Standards (Ind AS) for financial statements for accounting period beginning from April 1, 2018 onwards with comparatives for the period ending March 31, 2018 or thereafter.

The applicability of the said notification on your Company is with effect from FY18-19 onwards and necessary steps have been taken for smooth implementation INDIAN ACCOUNTING STANDARDS (IND AS).

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 (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the 'Report of Directors on Corporate Governance' for the year FY16-17 is placed in this Annual Report.

The said Report covers in detail the Corporate Governance Philosophy of the Company, Board Diversity, Directors appointment and remuneration, declaration by Independent Directors, Board evaluation, familiarisation programme, vigil mechanism etc.

Business Responsibility Report:

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

In terms of Regulation 17(10) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated January 5, 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 results of the evaluation exercise will be shared with the Board in subsequent Board Meeting(s), including listing of the identified strengths, areas of improvement and actions to be taken, if any.

29. Save Green Efforts

In recognition and support to the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India, your Company is sending AGM notices, annual reports, correspondence with the stakeholders etc. to the respective e-mail IDs of stakeholders. As a step towards paperless banking, initiatives taken by your Company include ECS facility for repayment of loans,

streamlining the systems and procedures for reporting by the branches and at the Registered Office through Integrated Business Suite (IBS), networking of branches with the Registered Office, harnessing solar energy for lighting and computer operations in its 16 branches and the like. The usage of the paper is minimised.

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

30. Outlook for 2017-18

In tune with the Government's mission to provide "Housing For All By 2022", your Company has geared itself to provide home loans under Credit Link Subsidy Scheme (CLSS) for the Low Income Group (LIG) and Middle Income Group (MIG) segment under Pradhan Mantri Awas Yojana (PMAY), which is likely to give a fillip to the aspirations of persons desirous of owning a home. We have also introduced 2 new products 'New Gruhalakshmi Rural Housing Scheme (new GRHS)' and 'New Loan For Urban Housing' (New LUH) with low interest rates to compete with the best rates prevailing in the market. The real estate scenario is expected to improve and credit off take is also expected to emerge stronger in the current year. Implementation of Real Estate Regulation Act (RERA) in most of the states of the country is expected to bring a disciplined growth boosting the confidence level of new home buyers.

For the FY17-18, your Company is targeting a loan book size of ₹17,000 Crore by March' 18. Lending to the salaried class will continue to be our mainstay. The prime focus of your Company would be growth with quality, duly ensuring enhancement of operations, increasing the Non Housing Loan (NHL) portfolio, further improvement in the asset quality and reduction of cost.

The performance of the Company is keenly viewed by our shareholders, stake-holders, customers, banks, peer groups and the general public. The onus of maintaining the high standards is a formidable challenge, however your Company is confident of meeting the same.

31. Acknowledgements

Your Directors would like to thank Canara Bank for 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, Debenture Trustees and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

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

Your Directors thank the Rating Agencies ICRA, CARE, India Ratings & Research Ltd., (FITCH), 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

Place: Bengaluru
Date : May 15, 2017

K N Prithviraj
Chairman

Annexure 1

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Can Fin Homes Ltd.,
Bengaluru

We have examined the compliance of Corporate Governance by M/s Can Fin Homes Ltd. for the year ended March 31, 2017 as per relevant provisions of 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.

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

In our opinion and to the best of our information and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s)/Listing Regulations referred above.

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

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

Sd/-
K Viswanath
Partner
Membership No. 022812

Place: Bengaluru
Date: April 25, 2017

Annexure 2

DECLARATION BY THE CEO - CODE OF CONDUCT

[Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors,
Can Fin Homes Ltd.
Bengaluru

Dear members of the Board,

Sub: Compliance with Code of conduct by the Board of Directors and Senior Management

I, S. K. Hota, Managing Director & Chief Executive Officer of Can Fin Homes Ltd., hereby declare that all the Board members 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, 2017.

Place: Bengaluru
Date: April 19, 2017

Sd/-
S K Hota
Managing Director & CEO

Annexure 3

SECRETARIAL AUDIT REPORT

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

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017)

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made there under;
3. There were no occasions needing compliance under the provisions of the Depositories Act, 1996 and the Regulations and Bye-laws framed there under; hence not applicable.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015 as amended till date;
 - ii. The Company has complied with the requirements of The SEBI (Prohibition of Insider Trading) Regulations, 2015 as to the requirements of providing necessary information on the Company's website and other prescribed disclosures;
 - iii. There were no occasions needing compliance under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 as amended till date; hence not applicable.
 - iv. The Company has not issued any securities under ESOP/ ESPS during the year under the provisions of The Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2014;
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015 as amended till date;
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 as amended till date to the extent applicable.
 - vii. The Company has not applied for delisting of Equity Shares in any stock exchanges under the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2015 as amended till date; and hence not applicable.
 - viii. The Company has not brought back any securities during the financial year under the provisions of The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2013 as amended till date; and hence not applicable.
6. We further report that based on the information received and records maintained, in our opinion the Company has, complied with the provisions of:
 - i. The National Housing Bank Act, 1987
 - ii. The Housing Finance Companies (NHB) Directions, 2010 as amended from time to time.

- iii. Housing Finance Companies issuance of non-convertible Debentures on private placement basis (NHB), Directions 2014,
- iv. Housing Finance Companies –Auditor’s Report (National Housing Bank) Directions, 2016.
- v. Housing Finance Companies –Approval of Acquisition or Transfer of Control (National Housing Bank) Directions, 2016
- vi. Housing Finance Companies-Corporate Governance (National Housing Bank), Directions, 2016.
- vii. Guidelines and circulars issued under the National Housing Bank Act, 1987 from time to time.
- viii. FIMMDA operational Guidelines (RBI) for Commercial Papers.
- ix. Guidelines on Fair Practices Code for HFCs issued by NHB

We have also examined compliance with the applicable clauses of:

- a. Secretarial Standards SS-1 and SS-2 issued by The Institute of Companies Secretaries of India.
- b. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

7. We further report that: The Board of Directors of the Company is constituted with

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

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

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

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

8. We further report that during financial year under report, :
 - a. The NHB refinance outstanding in the books amounted to ₹3,375.03 Crore against the aggregate sum of housing loans earmarked to NHB refinance amounting to ₹3,613.77 Crore
 - b. The Deposits outstanding amounted to ₹226.65 Crore and Deposits accepted during the year amounted to ₹149.93 Crore.

- c. The Company has passed Special resolution at the Annual General Meeting held on 20th July 2016 authorising issue of Non Convertible Debentures upto ₹3,000 Crore through various tranches. During the year the following Non- convertible debentures amounting to ₹1862 Crore were issued.

8.37% CFHL SRNCD 2015 series 9- ₹300 Crore.

8.55% CFHL SRNCD 2015 series 10- ₹100 Crore.

7.85% CFHL SRNCD 2016 series 1 – ₹300 Crore.

7.73% CFHL SRNCD 2016 series 2 – ₹440 Crore.

7.77% CFHL SRNCD 2016 series 3 – ₹122 Crore.

7.57% CFHL SRNCD 2016 series 4- ₹400 Crore.

7.68% CFHL RSNCD 2016 series 5- ₹200 Crore.

- d. The Promoter/sponsor of the Company and major shareholder, namely, Canara Bank has sold 35,80,849 equity shares of ₹10 each constituting 13.45% stake in the Company to a Singapore based Company through an off-market deal, thereby reducing its stake to 30% .

For **S Kedarnath & Associates**
Company Secretaries

Sd/-

S Kedarnath

Place: Bengaluru Company Secretary
Date : May 05, 2017 C P No. 4422

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

Annexure A

The Members,
CAN FIN HOMES LIMITED,
Bengaluru 560004

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

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.

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.

We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company including compliances of the laws at the branch offices.

Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the Company.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

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

For **S Kedarnath & Associates**
Company Secretaries

Place: Bengaluru
Date : May 05, 2017

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

Annexure 4

EXTRACT OF ANNUAL RETURN

(Form No. MGT - 9)

As on the Financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i.	CIN	L85110KA1987PLC008699
ii.	Registration Date	29/10/1987
iii.	Name of the Company	CAN FIN HOMES LIMITED
iv.	Category/Sub-Category of the Company	Financial Institution – Housing Finance
v.	Address of the Registered office and contact details	No.29/1, 1st Floor Sir M N Krishna Rao Road, Near Lalbagh West Gate, Basavanagudi Bengaluru – 560 004, Karnataka Tel: 080-26564259
vi.	Whether listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Canbank Computer Services Ltd. Unit: Can Fin Homes Ltd., R&T Centre No.218, J P Royale, 1st Floor, 2nd Main Sampige Road, (Near 14th Cross) Malleshwaram, Bengaluru – 560 003 Contact Person: Shri A Ravi, Manager Tel: 080-23469661/662/664/665 e-mail: ravi@cctl.co.in

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Housing Loans	64192*	84.29%
2.	Non housing	-	15.71%

*NIC code - 2008 [NIC - 2004 - 65922]

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
			NIL		

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year – March 31, 2016				No. of Shares held at the end of the year- March 31, 2017				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	11567207	-	11567207	43.45	7986358	-	7986358	30.00	(13.45)
f) Any Other (Promoter Group)	-	-	-	-	152224	-	152224	0.57	0.57
Sub-total (A)(1):-	11567207	-	11567207	43.45	8138582	-	8138582	30.57	(12.88)
2) Foreign	-	-	-	-	-	-	-	-	-
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	11567207	-	11567207	43.45	8138582	-	8138582	30.57	(12.88)
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	157328	200	157528	0.59	203303	200	203503	0.76	0.17
b) Banks / FI	9710	-	9710	0.04	15437	-	15437	0.06	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	26108	-	26108	0.10	114392	-	114392	0.43	0.33
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
(i) Foreign Financial Institutions	-	2500	2500	0.01	-	2500	2500	0.01	-
Sub-total (B)(1)	193146	2700	195846	0.74	333132	2700	335832	1.26	0.52
2. Non Institutions									
a) Bodies Corp.	6187398	10000	6197398	23.28	4440097	10000	4450097	16.72	(6.56)
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹2 Lakh	5066799	912064	5978863	22.46	5921576	833700	6755276	25.38	2.92
(ii) Individual shareholders holding nominal share capital in excess of ₹2 Lakh	2118340	-	2118340	7.96	1388320	-	1388320	5.22	(2.74)
c) Qualified Foreign Investor	332	-	332	-	-	-	-	-	-

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year – March 31, 2016				No. of Shares held at the end of the year- March 31, 2017				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Others(Specify)									
i) Non-Resident Indians	362230	1700	363930	1.37	1211799	1700	1213499	4.56	3.19
ii) Clearing Members	27506	-	27506	0.10	571823	-	571823	2.15	2.05
iii) Hindu Undivided Families	164240	-	164240	0.62	172677	-	172677	0.65	0.03
iv) Employee Shareholders	1883	3877	5760	0.02	1880	3877	5757	0.02	-
v) Director & their relatives	520	-	520	-	-	-	-	-	-
vi) Custodian	-	-	-	-	-	-	-	-	-
vii) Trusts	300	-	300	-	3952	-	3952	0.01	0.01
viii) Foreign Corporate Bodies	-	-	-	-	3584154	-	3584154	13.46	13.46
ix) Foreign National/ Individual	-	-	-	-	273	-	273	-	-
Sub-total (B)(2)	13929548	927641	14856857	55.81	17296551	849277	18145828	68.17	12.36
Total Public Shareholding (B)=(B)(1)+(B)(2)	14122694	930341	15052703	56.55	17629683	851977	18481660	69.43	12.88
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	25689901	930341	26620242	100.00	25768265	851977	26620242	100.00	-

Note: At the beginning of the year shareholding of “Canara Robeco” mentioned under category A(1)(f) was ‘nil’ but at the end of the year its shareholding is 152224 i.e. 0.57% of the total shares of the Company.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Canara Bank	11567207	43.45	-	7986358	30.00	-	(13.45)
	Total	11567207	43.45	-	7986358	30.00	-	(13.45)

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11567207	43.45	11567207	43.45
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Date: March 10, 2017	(3580849)	(13.45)	7986358	30.00
	At the End of the year	7986358	30.00	7986358	30.00

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	CALADIUM INVESTMENT PTE LTD				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: Purchase				
	Date: March 10, 2017	3580849	13.45	3580849	13.45
	At the End of the year	3580849	13.45	3580849	13.45
2	CHHATTISGARH INVESTMENTS LIMITED				
	At the beginning of the year	3578607	13.44	3578607	13.44
	Date wise Increase / Decrease in Shareholding during the year: Sale:				
	From April 01, 2016 to March 31, 2017	-908607	-3.41	2670000	10.03
	At the End of the year	2670000	10.03	2670000	10.03
3	KOTAK SECURITIES LIMITED				
	At the beginning of the year	3278	0.01	3278	0.01
	Date wise Increase / Decrease in Shareholding during the year: Purchase:				
	From April 01, 2016 to March 31, 2017	545471	2.05	548749	2.06
	At the End of the year	548749	2.06	548749	2.06
4	NITIN RAOJIBHAI DESAI				
	At the beginning of the year	445401	1.67	445401	1.67
	Date wise Increase / Decrease in Shareholding during the year: Sale:				
	From April 01, 2016 to March 31, 2017	-167374	-0.63	278027	1.04
	At the End of the year	278027	1.04	278027	1.04
5	ISE SECURITIES & SERVICES LIMITED TRUSTEE ACCOUNT (NSE)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: Purchase:				
	From April 01, 2016 to March 31, 2017	241099	0.91	241099	0.91
	At the End of the year	241099	0.91	241099	0.91
6	SATPAL SINGH BHATIA				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: Purchase:				
	From April 01, 2016 to March 31, 2017	235326	0.88	235326	0.88
	At the End of the year	235326	0.88	235326	0.88

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

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	WASATCH INTERNATIONAL OPPORTUNITIES FUND				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: Purchase:				
	From April 01, 2016 to March 31, 2017	174187	0.65	174187	0.65
	At the End of the year	174187	0.65	174187	0.65
8	GOLDENLIFE FINANCIAL SERVICES PVT LTD				
	At the beginning of the year	199814	0.75	199814	0.75
	Date wise Increase / Decrease in Shareholding during the year: Sale:				
	From April 01, 2016 to March 31, 2017	-66500	-0.25	133314	0.50
	At the End of the year	133314	0.50	133314	0.50
9	JASUBHAI HARIBHAI DESAI				
	At the beginning of the year	130114	0.49	130114	0.49
	Date wise Increase / Decrease in Shareholding during the year	0	0.00	130114	0.49
	At the End of the year	130114	0.49	130114	0.49
10	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO EMERGING EQUITIES				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year: Purchase:				
	From April 01, 2016 to March 31, 2017	152224	0.57	152224	0.57
	At the End of the year	152224	0.57	152224	0.57

P.S: The percentage of shareholding is calculated on the paid-up share capital.

v. Shareholding of Directors and Key Managerial Personnel

Sr. no	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		NIL		

VI. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in ₹)

	Secured loans excluding deposits	Unsecured loans excluding deposits	Deposits	Total
Opening Balance				
Principal	80358542130	12257692842	2209735570	94825970542
Interest due but not paid				
Interest accrued but not due for payment	1527773709	29391781	0	1557165490
Total	81886315839	12287084623	2209735570	96383136032
Change in indebtedness				
Addition	39532100000	50650000000	3006733572	93188833572
Reduction	31345156268	35052317886	2949981603	69347455757
Net Change	8186943732	15597682114	56751969	23841377815
Closing Balance				
Principal	88569152365	27883862627	2266487539	118719502531
Interest due but not paid				
Interest accrued but not due for payment	1504107206	904110	0	1505011316
Total	90073259571	27884766737	2266487539	120224513847

VII. Remuneration of Directors and Key Managerial Personnel**A. Remuneration to Managing Director**

(Amount in Lakh)

Sr. no	Particulars of Remuneration	Name of MD/MTD/ Manager		Total Amount
		S K Hota	C Ilango	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15.55	2.24	17.79
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit			
	- others, Incentive/LFC	3.00	3.29	6.29
5	Others (Company's contribution to PF)	0.94	7.79	8.73
	Total (A)	19.49	13.32	32.81
	Ceiling as per the Act	-	-	-

P.S.: Re-imbursement of salary to Canara Bank for the year ended March 31, 2017.

B. Remuneration to other Directors

(Amount in ₹)

Sr. no	Particulars of Remuneration	Name of the Directors				Total Amount
		KN Prithviraj	P B Santhanakrishnan	G Naganathan	T V Rao	
	Independent Directors					
	Fee for attending board committee meetings	1,90,000	1,30,000	2,00,000	3,60,000	8,80,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,90,000	1,30,000	2,00,000	3,60,000	8,80,000
	Other Non-Executive Directors	S A Kadur	P V Bharathi	-	-	-
	Fee for attending board committee meetings	1,50,000	1,80,000	-	-	3,30,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1,50,000	1,80,000	-	-	-
	Total (B)=(1+2)	3,40,000	3,10,000	2,00,000	3,60,000	12,10,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than Managing Director, Whole-time Director and/or Manager

(Amount in ₹)

Sr. no	Particulars of Remuneration	Key Managerial Personnel		
		Atanu Bagchi	Veena G Kamath	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	11,75,430	9,24,683	21,00,113
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,28,991	1,75,880	3,04,871
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, Incentive/LFC	2,10,000	60,000	2,70,000
5	Others (Company's contribution to PF)	1,15,724	98,284	2,14,008
	Total (A)	16,30,145	12,58,847	28,88,992
	Ceiling as per the Act			

VIII. Penalties/Punishment/Compounding of Offences:

There were no penalties/punishments/compounding of offences for the year ending March 31, 2017

Place: Bengaluru
Date : May 15, 2017

Sd/-
Veena G Kamath
Company Secretary

Sd/-
S K Hota
Managing Director

Sd/-
K N Prithviraj
Chairman

Annexure 5

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, 2017, 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, 2017 are as follows:

Nature of Contract	Nature of relationship	Date of Sanction	Tenure (years)	Salient Terms*	Outstanding Amount (₹ in Crore)	Interest Paid
1) Loans from Canara Bank						
Term Loan 57	Sponsor Bank	25/08/09	10	TL at base rate.	0.00	1.19
Term Loan 63	Sponsor Bank	24/03/10	10	TL at base rate.	0.00	2.10
Term Loan 66	Sponsor Bank	26/11/10	10	TL at base rate.	0.00	2.94
Term Loan 72	Sponsor Bank	17/06/11	10	TL at base rate.	0.00	4.3
Term Loan 76	Sponsor Bank	01/10/11	10	TL at base rate.	0.00	4.3
Term Loan 81	Sponsor Bank	15/03/12	10	TL at base rate.	0.00	5.54
Term Loan 85	Sponsor Bank	24/07/12	10	TL at base rate.	0.00	12.72
Term Loan 88	Sponsor Bank	13/06/13	10	TL at base rate.	0.00	7.00
Term Loan 90	Sponsor Bank	25/07/13	10	TL at base rate.	0.00	1.59
Term Loan 98	Sponsor Bank	26/11/13	10	TL at base rate.	0.00	20.57
Term Loan 111	Sponsor Bank	30/09/14	10	TL at base rate.	0.00	0.93
Term Loan 133	Sponsor Bank	15/12/16	10	TL at MCLR	499.02	11.58
Term loan 134 - LOC	Sponsor Bank	15/12/16	10	TL at MCLR	0.00	1.59
Term loan 139 - LOC	Sponsor Bank	15/12/16	10	TL at MCLR	500.00	3.26
2) Working Capital from Canara Bank	Sponsor Bank	26/09/16	1	Over Draft facility	392.77	8.59
Working Capital from Canara Bank	Sponsor Bank	15/12/16	1	Over Draft facility	200.00	0.72
Working Capital from Canara Bank	Sponsor Bank	21/01/17	1	Over Draft facility	100.03	0.03
Discount paid on Commercial Paper	Sponsor Bank	15/12/16		Line of Credit	0.00	5.41
Total					1,691.82	94.36

*(other terms & conditions as per respective agreement)

Nature of Contract	Nature of relationship	Date of Deposit	Tenure (years)	Salient Terms	Outstanding Amount (₹ in Crore)
1) Deposit with Canara Bank					
0684.302.216/30	Sponsor Bank	28-03-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/21	Sponsor Bank	28-06-15	1	Fixed Deposit at 8.00%	0.00
0684.302.216/23	Sponsor Bank	03-07-15	1	Fixed Deposit at 8.00%	0.00
0684.302.216/24	Sponsor Bank	03-07-15	1	Fixed Deposit at 8.00%	0.00
0684.302.216/25	Sponsor Bank	21-08-15	1	Fixed Deposit at 8.00%	0.00
02673.3302.000149/5	Sponsor Bank	28-01-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/26	Sponsor Bank	21-08-15	1	Fixed Deposit at 8.00%	0.00
0684.302.216/29	Sponsor Bank	25-02-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/31	Sponsor Bank	31-03-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/22	Sponsor Bank	30-06-15	1	Fixed Deposit at 7.90%	0.00
0684.302.216/27	Sponsor Bank	30-09-15	1	Fixed Deposit at 8.00%	0.00
0684.302.216/28	Sponsor Bank	30-09-15	1	Fixed Deposit at 8.00%	0.00
02673.3302.000149/6	Sponsor Bank	31-12-16	1	Fixed Deposit at 6.90%	0.50
02673.3302.000149/7	Sponsor Bank	31-12-16	1	Fixed Deposit at 6.90%	0.50
02673.3302.000149/8	Sponsor Bank	31-12-16	1	Fixed Deposit at 6.90%	0.70
02673.3302.000149/3,4	Sponsor Bank	31-12-15	1	Fixed Deposit at 7.75%	0.00
0684.302.216/32	Sponsor Bank	31-03-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/33	Sponsor Bank	31-03-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/34	Sponsor Bank	31-03-16	1	Fixed Deposit at 7.75%	0.00
0684.302.216/35	Sponsor Bank	28-06-16	1	Fixed Deposit at 7.50%	0.20
0684.302.216/37	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.50
0684.302.216/38	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.90
0684.302.216/39	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.90
0684.302.216/40	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.90
0684.302.216/41	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.90
0684.302.216/42	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.90
0684.302.216/43	Sponsor Bank	30-06-16	1	Fixed Deposit at 7.55%	0.50
0684.302.216/44	Sponsor Bank	04-07-16	1	Fixed Deposit at 7.50%	0.50
0684.302.216/45	Sponsor Bank	04-07-16	1	Fixed Deposit at 7.50%	0.50
0684.302.216/46	Sponsor Bank	28-07-16	1	Fixed Deposit at 7.50%	0.50
0684.302.216/47	Sponsor Bank	28-07-16	1	Fixed Deposit at 7.50%	0.50
0684.302.216/48	Sponsor Bank	22-08-16	1	Fixed Deposit at 7.25%	0.50
0684.302.216/49	Sponsor Bank	22-08-16	1	Fixed Deposit at 7.25%	0.50
0684.302.216/50	Sponsor Bank	30-09-16	1	Fixed Deposit at 7.25%	0.70
0684.302.216/51	Sponsor Bank	31-03-17	1	Fixed Deposit at 7.25%	0.75
0684.302.216/52	Sponsor Bank	25-02-17	1	Fixed Deposit at 6.90%	0.55
0684.302.216/54	Sponsor Bank	31-03-17	1	Fixed Deposit at 6.90%	0.75
0684.401.2868/9	Sponsor Bank	10-02-17	1	Fixed Deposit at 6.90%	0.99
0684.401.2868/10	Sponsor Bank	28-03-17	1	Fixed Deposit at 6.90%	0.40
0684.401.2868/11	Sponsor Bank	31-03-17	1	Fixed Deposit at 6.90%	0.75
0684.401.2868/12	Sponsor Bank	31-03-17	1	Fixed Deposit at 6.90%	0.75
0684.401.2868/13	Sponsor Bank	31-03-17	1	Fixed Deposit at 6.90%	0.50
TOTAL					16.54
2) Total Interest earned on Canara Bank Deposit					1.16

Nature of Contract	Nature of relationship	Duration of Contract	Salient terms	Amount (₹ in Crore)
Rent paid to Canara Bank	Sponsor Bank	On going	Rent for Premises of Branches at Noida, Chennai, New Delhi, Mangalore and NCR – Pitampura.	0.48
Bank charges paid to Canara Bank	Sponsor Bank	On going	As per norms	0.26
Salary of Managing Director/s paid to Canara Bank	Sponsor Bank	On going	As per norms	0.33
Sitting Fees of Directors paid to Canara Bank	Sponsor Bank	On going	As per norms	0.03
Other payments to Canara Bank	Sponsor Bank	One time	As per norms	0.05
Rent received from Canara Bank	Sponsor Bank	On going	Flat at Pune given on Rent to Canara Bank	0.01
Registrar & Transfer Agency charges paid to Canbank Computer Services Ltd	Subsidiary of Sponsor Bank	3 years	As per the R&T agreement	0.13
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank Employee Pension Fund	Pension Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	10.00 Interest 0.85
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank staff Provident Fund	Staff Provident Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	35.00
Secured Redeemable Non Convertible Taxable Debentures invested by Canara Bank Employee Gratuity Fund	Gratuity Fund of Sponsor Bank	One time	As per the terms and conditions of the NCD issue.	10.00
Interest on Investment in Liquid Fund in Canara Robeco Asset Management Company Ltd	Joint venture with Sponsor Bank	One time	As per the terms of the MF	0.06

Appropriate approvals have been taken for related party transactions u/s 188 of Companies Act, 2013 at the 28th AGM of the Company held on July 08, 2015 & approvals of Audit committee & Board of Directors as required under listing agreements/SEBI (LODR) regulations 2015 & Companies Act 2013. Advances paid have been adjusted against billings wherever applicable.

Place: Bengaluru
Date : May 15, 2017

Sd/-
Atanu Bagchi
Deputy General Manager & CFO

Sd/-
S K Hota
Managing Director

Sd/-
K N Prithviraj
Chairman

Annexure 6

ANNUAL REPORT ON CSR ACTIVITIES

Our Company's CSR Policy is broadly based on the Principles of National voluntary guidelines on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs, SEBI guidelines on Business Responsibility Reporting, the Companies Act, 2013 and ethos of our Sponsor-Canara Bank.

The contents of the CSR Policy of the Company, as approved by the Board, are displayed in the Company's official website. Our Company has also chosen 'Education', 'Women Empowerment' and 'contribution to Prime Minister's National Relief Fund' as its thrust areas towards implementation of CSR activities.

The CSR Committee comprised of:

Mr.K.N.Prithviraj – Chairman

Mr.S.K.Hota – Member

Mr.G.Naganathan – Member

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

Financial Year	₹ in Crore
a. Net Profit before Tax for FY15-16	253.86
b. Net Profit before Tax for FY14-15	137.45
c. Net Profit before Tax for FY13-14	106.88
d. Total	498.19
e. Average Net Profit (before Tax) for three years	166.06
f. Budgeted CSR amount 2% of (e) above-FY16-17	3.32
g. Unspent amount of FY15--16	0.69
h. Total budget for CSR activities for FY16-17(f+g)	4.01

Details of budgeted CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹4.01 Crore
- Unspent amount of FY16-17 – ₹0.18 Crore (₹0.08 Crore of FY15-16 + ₹0.10 Crore of FY16-17)
- Manner in which the amount spent during the financial year: As per Annexure

The unspent amount has been carried forward to the next financial year and the Company is in lookout of an appropriate project to spend.

The implementation and monitoring of the CSR Policy is in compliance with CSR objects and Policy of the Company.

Place: Bengaluru
Date : May 15, 2017

Sd/-
S K Hota
Managing Director

Sd/-
G Naganathan
Member-CSR Committee

Sd/-
K N Prithviraj
Chairman-CSR Committee

Details of disbursements/ amount spent towards CSR activities as on March 31, 2017

Sl no.	CSR project or activity identified	Sector in which the project is covered	District where projects was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs (₹)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through agency
1	Government Primary School of Mirpur, Agra.	Promoting Education	Agra, Rajasthan	135104.00	135104.00	Nil	Direct
2	GIDC and ODHAV Hindi School, Ahmedabad	Promoting Education	Ahmedabad, Gujrat	86000.00	86000.00	Nil	Direct
3	Rajkiya Ucha Prathamik Vidhyalaya, Gurjar Basthi, Aadarsh Nagar, Ajmer. Pradhanadhyapak Rajkiya Madyamik Vidhyalaya Adarsh Nagar, Ajmer	Promoting Education	Ajmer, Rajasthan	39000.00	39000.00	Nil	Direct
4	Dhahsapura Primary School, Dhahsapura, Baroda	Promoting Education	Baroda, Gujarat	10280.00	10280.00	Nil	Direct
5	Govt. Primary/ Higher Schools at Bengaluru region	Promoting Education	Bengaluru, Karnataka	9990600.00	9990600.00	Nil	Direct
6	Govt. Middle Schools at Bhopal District	Promoting Education	Bhopal, Madhya Pradesh	286909.00	286909.00	Nil	Direct
7	Bhagabanpur Project Primary School, Bhagabanpur, Patrapada, Bhubaneswar	Promoting Education	Bhubaneswar, Orissa	159900.00	159900.00	Nil	Direct
8	Govt UP & MUP Schools, at Calicut District.	Promoting Education	Calicut, Kerala	577416.00	577416.00	Nil	Direct
9	Panchayat Union Middle School, Koundampalayam, Coimbatore	Promoting Education	CBE-P N Palyam, Tamilnadu	87101.00	87101.00	Nil	Direct
10	Govt. Primary School, Sector 6, Panchkula, Chandigarh.	Promoting Education	Chandigarh	71390.00	71390.00	Nil	Direct
11	Govt. Higher Secondary and Panchayat Union Public School, at Chengalpattu Dist.	Promoting Education	Chengalpattu, Tamilnadu	569600.00	569600.00	Nil	Direct
12	Govt. Primary/ Higher Secondary Schools at Chennai Region	Promoting Education	Chennai, Tamilnadu	2082365.00	2082365.00	Nil	Direct
13	Govt Upper Primary School, Vypeen, Azheekal PO, Ernakulam District	Promoting Education	Cochin, Kerala	203800.00	203800.00	Nil	Direct
14	Panchayat Union Schools at Coimbatore District.	Promoting Education	Coimbatore, Tamilnadu	507890.00	507890.00	Nil	Direct
15	Govt. Lower Primary and Higher Schools at Davangere Region	Promoting Education	Davangere, Karnataka	314000.00	314000.00	Nil	Direct
16	RajkiyaPrathmikVidyalaya, Kedarpur, Raipur	Promoting Education	Dehradun, UP	56750.00	56750.00	Nil	Direct
17	Government Girls Senior Secondary School, Dharuhera.	Promoting Education	Dharuhera, Haryana	63398.00	63398.00	Nil	Direct
18	Govt. Boys. Sr. Sec. School Tikona Park, Faridabad	Promoting Education	Faridabad, Haryana	117019.00	117019.00	Nil	Direct
19	IshKripaSadon of Sisters of St. Joseph (Home for Women and Girls in Distress), Bardez, Goa	Women Empowerment	Goa	357960.00	357960.00	Nil	Direct
20	Government Primary School, VidhanSabha Area Dhankaur, Village Kasna, Greater Noida	Promoting Education	Greater Noida, UP	317165.00	317165.00	Nil	Direct
21	ZillaParishad High School, Pasumarru Village, Guntur	Promoting Education	Guntur, Andhra Pradesh	224000.00	224000.00	Nil	Direct
22	Government Middle School, Ramgarh, Dabra, Gwalior	Promoting Education	Gwalior, Madhya Pradesh	46700.00	46700.00	Nil	Direct
23	Panchayat Union Primary Schools, Hosur	Promoting Education	Hosur, Tamilnadu	105557.00	105557.00	Nil	Direct
24	MandalParishat/ Zillaparishat schools at Hyderabad regions	Promoting Education	Hyderabad, Andhra Pradesh	789194.00	789194.00	Nil	Direct
25	Government Girls High School, Middle High School and Blind & Deaf High School at Indore District.	Promoting Education	Indore, Madhya Pradesh	321023.00	321023.00	Nil	Direct
26	Raj Govt. UchhMadhyamik and Primary Sanskrit schools at Jaipur District	Promoting Education	Jaipur, Rajasthan	905996.00	905996.00	Nil	Direct
27	Govt. Primary School, Phatehpur, Jodhpur. Govt. Primary School, Sardarpur, Jodhpur.	Promoting Education	Jodhpur, Rajasthan	114500.00	114500.00	Nil	Direct
28	Government High School for Deaf, Kakinada	Promoting Education	Kakinada, Andhra Pradesh	77025.00	77025.00	Nil	Direct
29	Govt. Sr. Sec. School of Agondh, Karnal.	Promoting Education	Karnal, Haryana	213851.00	213851.00	Nil	Direct
30	Panchayat Union Middli Schools and PUP Schools at Karur District	Promoting Education	Karur, Tamilnadu	1050080.00	1050080.00	Nil	Direct
31	RajkiyaMadhyamikVidhyalaya, Police Line, Kota.	Promoting Education	Kota, Rajasthan	102160.00	102160.00	Nil	Direct
32	Govt. Higher Schools and Bala Middle School at Madurai District.	Promoting Education	Madurai, Tamilnadu	651723.00	651723.00	Nil	Direct
33	Govt. higher secondary school, itayakalan, goharganj	Promoting Education	Mandideep, Madhya Pradesh	91867.00	91867.00	Nil	Direct
34	Govt. Primary and Higher Primary Schools, at Mandya Dist.	Promoting Education	Mandya, Karnataka	1018479.00	1018479.00	Nil	Direct

Sl no.	CSR project or activity identified	Sector in which the project is covered	District where projects was undertaken	Amount outlay (budget) project or program wise (₹)	Amount spent on the projects or programs (₹)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through agency
35	Govt. Higher Primary Schools at Mangalore District	Promoting Education	Mangalore, Karnataka	1524000.00	1524000.00	Nil	Direct
36	ZillaParishad Primary School, Virar (West), Vasai Taluk	Promoting Education	Mumbai-Borivili, Maharashtra	75500.00	75500.00	Nil	Direct
37	Government Lower Primary School, and Higher Primary Schools in Mysore District.	Promoting Education	Mysore, Karnataka	287847.00	287847.00	Nil	Direct
38	KNR Municipal Corporation High School, and Govt. High School at Nellore District.	Promoting Education	Nellore, Andhra Pradesh	192228.00	192228.00	Nil	Direct
39	Govt. Sec. School for the Deaf (South) and PrathamikVidyalayaat New Delhi.	Promoting Education	New Delhi	1232904.00	1232904.00	Nil	Direct
40	Prime Minister's National Relief Fund	Contribution to PMNRF	New Delhi	10000000.00	10000000.00	Nil	Direct
41	PrathamikVidhyalaya Schools at Noida District.	Promoting Education	Noida, UP	496930.00	496930.00	Nil	Direct
42	Upper Primary School, V Gamallapalem, kothapattanamMandal, Prakasam, Ongole.	Promoting Education	Ongole, Andhra Pradesh	43200.00	43200.00	Nil	Direct
43	Govt. Co-Ed. SarvodayaVidyalaya, Sector-2, Rohini, Delhi	Promoting Education	Pitampura, Delhi	284156.00	284156.00	Nil	Direct
44	Govt. Primary School and Higher School at Pondicherry.	Promoting Education	Pondicherry	655180.00	655180.00	Nil	Direct
45	Chennai Higher Secondary School, West Mambalam, Chennai	Promoting Education	Porur, Tamilnadu	409500.00	409500.00	Nil	Direct
46	Mata Karunjai High School, KarungwadiTaluk, Bhore District, Pune	Promoting Education	Pune, Maharashtra	87500.00	87500.00	Nil	Direct
47	Model Residential Higher Secondary School for SC+ST runs by Vivekananda Vidyapeeth, Raipur.	Promoting Education	Raipur, Chattisgarh	180520.00	180520.00	Nil	Direct
48	MandalParishat Elementary School-2, Vadapalli Village, KovuruMandal, West Godavari	Promoting Education	Rajahmundry, Andhra Pradesh	64490.00	64490.00	Nil	Direct
49	Government ITI High School, Hasangarh, Rohtak.	Promoting Education	Rohtak, Haryana	119200.00	119200.00	Nil	Direct
50	Government Middle School, Sector-2-3-4, Rohtak.	Promoting Education	Rohtak, Haryana	155200.00	155200.00	Nil	Direct
51	Corporation Primary School, Ariyagoundampatty, Suramangalam, Salem	Promoting Education	Salem, Tamilnadu	186638.00	186638.00	Nil	Direct
52	Government Primary School, Vinayakanagar, Kachinakatte Post, ShimogaTq, Shimoga.	Promoting Education	Shimoga, Karnataka	130550.00	130550.00	Nil	Direct
53	Government Senior Secodnary School, Garhi Basic, Panipat	Promoting Education	Sonepat, Haryana	80000.00	80000.00	Nil	Direct
54	Panchayat Union Priamary School and Govt boys high school at Sri perumbudur dist.	Promoting Education	Sriperumbudur, Tamilnadu	220520.00	220520.00	Nil	Direct
55	Panchayat Union Primary School, and Govt. high school at Thiruvellur dist.	Promoting Education	Thiruvallur, Tamilnadu	246265.00	246265.00	Nil	Direct
56	MandalPrajaParishad School, Mangalam, Tirupati, Chittoor Dt.	Promoting Education	Tirupati, Andhra Pradesh	68240.00	68240.00	Nil	Direct
57	SreeSarada Girls Higher Secondary School, P.O.Puranattukra, Trichur District	Promoting Education	Trichur, Kerala	226800.00	226800.00	Nil	Direct
58	Panchayat Union Primary School and Middle School at Trichy Dist.	Promoting Education	Trichy, Tamilnadu	153050.00	153050.00	Nil	Direct
59	Government High School, Pappanamcode, Industrial Estate PO, Trivandrum	Promoting Education	Trivandrum, Kerala	216120.00	216120.00	Nil	Direct
60	Government High School, Navile Village, MaddurTq, Mandya District.	Promoting Education	Tumkur, Karnataka	1312638.00	1312638.00	Nil	Direct
61	RajkiyaUcchPrathamikVidhyalaya, sagathada Udaipur	Promoting Education	Udaipur, Rajasthan	108700.00	108700.00	Nil	Direct
62	Govt. Higher and Model Primary Schools, at Udupi Dist.	Promoting Education	Udupi, Karnataka	442050.00	442050.00	Nil	Direct
63	J.P.Mehta Nagar Nigham Inter College, Varanasi.	Promoting Education	Varanasi, UP	96000.00	96000.00	Nil	Direct
64	Municipal Middle School, Kagithapattarai, Vellore	Promoting Education	Vellore, Tamilnadu	9600.00	9600.00	Nil	Direct
65	Sri RamakrishanVidyalaya Matriculation School, Nattarampalli, Vellore	Promoting Education	Vellore, Tamilnadu	2000000.00	2000000.00	Nil	Direct
66	Government High School, Naranapuram, Virudhunagar	Promoting Education	Virudhunagar, Tamilnadu	62400.00	62400.00	Nil	Direct
67	GVMC Primary and KDPM High School at Visakhapatnam.	Promoting Education	Visakhapatnam, Andhra Pradesh	235400.00	235400.00	Nil	Direct
68	ZPH Government School and MandalParishat school at Visakhapatnam	Promoting Education	Vizag Steel Plant, Andhra Pradesh	226000.00	226000.00	Nil	Direct
				43575128.00	43575128.00		

Annexure 7

Related Party Transactions Policy

[Disclosure as required under Housing Finance Companies – Corporate Governance
(National Housing Bank) Directions, 2016]

1. Brief Background:

Security Exchange Board of India (SEBI) vide its circular No.CIR/CFD/POLICY CELL/2/2014 dated 17 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 (Listing Regulations) came into existence w.e.f. December 01, 2015. In terms of the said circular, 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.

Can Fin Homes Limited is a public limited company incorporated on 29/10/1987 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.

2. Objective of the Policy

The policy is framed as per requirements of the Listing Agreements entered into by the Company with the Stock Exchanges and intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. Such transactions shall be appropriate only,

if they are in the best interest of the Company and its shareholders.

3. Scope of the Policy

3.1. During the course of its business, the Company may enter into transactions with various entities. Some of the transactions may be deemed to be 'Related Party Transactions' as per the Accounting Standard on Related Party Disclosures (AS 18), as notified by the Companies (Accounting Standards) Rules, 2006 and such transactions shall be duly disclosed in the Annual Reports of the Company. The policy shall be applicable to the transactions made with:

- a) Board of Directors and their relatives;
- b) Key management Personnel (KMP) of the Company and their relatives; and
- c) Related parties, as defined under section 2 (76) of the Companies Act 2013 and as amended from time to time and the rules specified in the listing agreement.

3.2. The parties are considered to be related, if, one party has ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions. The description of the related parties shall be as per

applicable provisions of Companies Act, 2013, Listing Regulations and Accounting Standards.

4. Transactions are considered as related party transactions:

4.1. Following types of the transactions shall be considered as related party as per section 188 of Companies Act 2013:

- a) Sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company.

4.2. Types of the transactions considered as related party as per listing agreement:

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.

4.2.a Types of the transactions considered as related party as per AS-18, Accounting Standard-18 of 2006:

- a) Purchases or sales of goods (finished or unfinished);
- b) Purchases or sales of fixed assets;
- c) Rendering or receiving of services;
- d) Agency arrangements;
- e) Leasing or hire purchase arrangements;
- f) Transfer of research and development;
- g) License agreements;
- h) Finance (including loans and equity contributions in cash or in kind);
- i) Guarantees and Collaterals; and
- j) Management contracts including for deputation of employees.

4.3. 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 transactions 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:

7.1. Approval of Related party transactions by Audit Committee of the Board: All related Party Transactions proposed to be entered into by the Company shall require prior approval of Audit Committee except those transactions exempted by the committee through omnibus specific approval. All "Material" related party transactions shall require approval of the

shareholders through special resolution and the related parties shall abstain from voting on such resolutions. However, this shall not be applicable in the following cases.

- a) Transactions entered into between two government companies;
- b) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

7.2. Approval of the Board of Directors: All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits, which are not in the ordinary course of business of the Company or on an arm's length basis shall along with the approval of the Audit Committee also require approval of the Board of Directors of the Company.

7.3. Approval of Shareholder: All the Material Related Party Transactions 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 the related parties shall abstain from voting in such resolution.

7.4. Omnibus approval by the Audit Committee:

7.4.1. In case of certain frequent/ repetitive/ regular transactions

with Related Parties which are in the ordinary course of business of the Company (including transactions for support services/ sharing of services with Subsidiary/ Associate Companies), the Audit Committee may consider grant of an omnibus approval for such 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.
- b. It shall satisfy itself that the need for such omnibus approval and that such approval is in the business interest of the Company.
- c. Such omnibus approval shall specify (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price or current contracted price and the formula for variation in the price, if any and (iii) such other conditions as the Audit Committee may deem fit;

7.4.2. Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹1 Crore (Rupees One Crore only) per transaction.

7.4.3. The details of such transactions viz. actually entered into/ executed by the Company shall be tabled at the next meeting of the Audit Committee for its ratification.

7.4.5. Such omnibus approval shall be valid for a period not exceeding 1 (one) year and shall require fresh approval after the expiry of 1 (one) year from the date of the original approval granted by the Audit Committee, from time to time.

7.4.6. In terms of the provisions of the Listing Agreements, 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 the Listing Agreements, as amended from time to time.

8. Procedure of seeking approval of Related Party Transaction

As and when any transaction is contemplated with any Related Party, the concerned office entertaining the request shall submit to the Accounts Dept. RO, the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis in an ordinary course of business at prevailing market rate. The Accounts Department at RO shall appropriately take it up for necessary prior approvals from the Audit Committee at its next scheduled meeting and convey back the decision to the originator.

If the proposed transaction is not in ordinary course of business but at arm's length basis, then the branch/ office shall give a detailed note with justification to Accounts Department RO, for entering such transaction along with details of proposed transaction with draft agreement/MoU/other supporting documents. Based on the

note the Accounts Department at RO, shall escalate the matter for necessary approvals of the Audit Committee/ Board/Share Holders as may be applicable.

The Accounts Department at RO, shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential related Party Transaction.

- a) A General Description of the transactions
- b) The name of the related party and the basis on which such party is a related party.
- c) The related party interest in the transaction(s)
- d) The approximate rupee value
- e) In case of lease or other transaction providing for periodic payments or installments, the aggregate amount of all period payments of installments expected to be made.
- f) In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be payable on such indebtedness.
- g) Any other material information regarding the transaction(s) or the related party's interest in the transactions

9. Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction

will reclude himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all, relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- a. Any transaction that involves providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- b. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

10. Related Party Transactions without the prior approval under this Policy

In the event the Company becomes aware of a Related Party transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party

In any case, where the Committee determines not to ratify a Related Party transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy.

11. Disclosures

11.1. The Company shall keep a register in the prescribed form giving the full particulars of contracts or arrangements in respect of all RPTs approved by the Audit Committee and the gist of such contracts/RPTs shall be placed before the Board periodically.

11.2. Necessary disclosures shall be made in the Annual Financial Statements as required under

AS 18 and applicable guidelines. Further, as required under Listing Agreement, 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 given in Report on Corporate Governance section in Annual Report.

11.3. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on Corporate Governance.

11.4. The Company shall disclose the policy on dealing with related party transactions on its website and a web link thereto shall be provided in the Annual Report.

12. Records relating to Related Party/Supporting documents

All disclosures, supporting documents shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Accounts Dept. and any other person authorized by the Board for the purpose.

Agreement or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate shall also be preserved for a period of 8 years from the end of the financial year to which it relates and shall be kept in the custody of the Board and/or any other person authorized by the Board for the Purpose.

13. Interpretation

In any circumstances where the terms of these policies and procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedure until such time as these policies and procedures are changed to confirm to the law, rule, regulation or standard.

14. Secrecy Provisions

In terms of paragraph 5 of Accounting Standard 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically

required in terms of statute, by regulator or similar competent authority. In terms of Paragraph 6 of Accounting Standard 18, in case a statute or SEBI prohibits the Company from disclosing certain information which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the requirements of Accounting Standard 18. It is clear from the above that on account of the judicially recognized common law duty of the Company to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, Company need not disclose any details pertaining to that related party other than the relationship with that related party.

15. Review of Related Party Transaction Policy.

The Related Party Transaction Policy is a part of Corporate Governance Policy. Therefore, the same has to be reviewed at periodical intervals by the Board as per the Transactions.

Annexure 8

CAN FIN HOMES LTD (CFHL)

DIVIDEND DISTRIBUTION POLICY 2016-17

1. PREAMBLE AND BACKGROUND

- 1.1. Dividend is profits earned by the company and divided amongst the shareholders in proportion to the amount of paid up shares held by them. Simply stated it is a return on investment made by the shareholders.
- 1.2. The term 'dividend' has been defined under Section 2(35) of the Companies Act, 2013. The term "Dividend" includes any interim dividend. It is an inclusive and not an exhaustive definition. According to the generally accepted definition, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them.
- 1.3. A dividend is not regarded as expenditure; rather, it is considered a distribution of assets among shareholders. A company can retain its profit for the purpose of re-investment in the business operations (known as retained earnings), or it can distribute the profit among its shareholders in the form of dividends.
- 1.4. Dividends are usually payable for a financial year after the final accounts are ready and the amount of distributable profits is available. Dividend for a financial year of the company (which is called 'final dividend') are payable only if it is declared by the company at its Annual General Meeting on the recommendation of the Board of

directors. Sometimes dividends are also paid by the Board of directors between two Annual General Meetings without declaring them at an Annual General Meeting (which is called 'interim dividend') if so authorized by its Articles of association.

- 1.5. Generally, dividend is paid by a company to its shareholders on a particular date (book closure date) either out of profits or out of reserves / accumulated profits.
- 1.6. As Can Fin Homes Limited (hereinafter referred to as "Company") is a company incorporated and registered in India under the Companies Act, 1956 and is listed with BSE Limited (formerly Bombay Stock Exchange Limited) and National Stock Exchange Limited, is registered with National Housing Bank as a Housing Finance Company and hence is governed by the rules and regulations related to declaration and payment of dividend.
- 1.7. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 under regulation 43A has specified the formulation of a dividend distribution policy for the top 500 listed entities based on market capitalization which shall be disclosed in their Annual Reports and on their websites. In view of that it is recommended on part of company to formulate the Dividend

Distribution Policy of the Company hereinafter referred to as "Can Fin Homes Ltd Dividend Distribution Policy" ("CFHLDDP").

2. Objectives

- 2.1. To define the policy and procedures of the Company in relation to the calculation, declaration and settlement of Dividends and the determination of the form and time periods within which Dividends are paid.
- 2.2. To ensure that the Company has sufficient distributable profits and/or general reserves, as determined by a review of the Company's audited financial statements, prior to any declaration and/or payment of Dividends.
- 2.3. To create a transparent and methodological Dividend policy, adherence to which will be required before declaring dividends.
- 2.4. The Company will review this Policy annually and make necessary changes if deemed necessary or as and when there is regulatory changes, new regulations, directions, guidelines issued by the regulatory/government authorities from time to time.

3. SCOPE, LAW AND REGULATION OF DIVIDEND

- 3.1. The declaration and payment of dividend are governed by various provisions of the Companies

Act, 2013 and most importantly chapter - VIII from section 123 to 127 deals with "Declaration and payment of dividend"; The Companies (Declaration and Payment of Dividend) Rules, 2014 ; Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; section 27 of Security Contract Regulation Act, 1956; Income Tax Act, 1961; Secretarial Standards on Dividend (SS-3); NHB Guidelines/ Circulars/ Notifications, FEMA 1999, SEBI Guidelines/Circulars etc. as amended from time to time and to the extent applicable.

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

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

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

3.5. **Trading Window:** In terms of regulation 2(1) (n) of SEBI (Prohibition of Insider Trading), 2015, declaration of dividends (interim or final) shall be treated as "Unpublished Price Sensitive Information" hence company shall comply with norms / compliances

of trading window read with company's insider Trading Policy viz. Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders pursuant to regulation 9 of SEBI (Prohibition of Insider Trading), 2015.

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

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

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

- a) Future expansion plans
- b) Profit earned during the current financial year
- c) Overall financial conditions
- d) Cost of raising funds from alternative sources
- e) Applicable taxes (including dividend distribution tax)
- f) Money market conditions
- g) Macro-economic situations, etc.

4. GENERAL TERMS

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

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

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

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

4.4. **Payment of dividend proportionately:** In terms of section 51 companies are permitted to pay dividends in proportion to the amount paid-up on each share when all shares are not uniformly paid up, i.e. pro rata (in proportion or proportionately, according to a certain rate). The Board of Directors

of a company may decide to pay dividends on pro-rata basis if all the equity shares of the company are not equally paid-up. The permission given by this section is, however, conditional upon the company's articles of association expressly authorizing the company in this regard.

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

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

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

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

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

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

5. PARAMETERS FOR DECLARATION OF DIVIDEND

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

at after providing depreciation in accordance with provisions of Section 123(2) of the Companies Act or - Out of accumulated profits of the company for any previous financial year or years arrived at after providing depreciation and remaining undistributed or - Out of both above or - Out of money provided by the central government or a state government for payment of dividend in pursuance of a guarantee given by that government

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

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

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

5.5. **Amount of Dividend:** The management upon compliance of the above clause no. 5.1 to 5.4 may recommend to the Board of Directors the dividend at a rate (inclusive of the dividend distribution tax or any other applicable taxes on dividend) of any of the following:

- a) Maximum of Dividend payout ratio of 20% (excluding taxes).
- b) Minimum of 20% of the paid up Equity share capital.

While recommending such dividend the management will also take into account dividends declared during the preceding 3 years.

Not with-standing the above, the Board reserves the right not to declare dividend or decide any rate of dividend, for a particular year owing to certain regulatory restrictions if any, during the year, capital conservation prudence, or other exigencies which shall be stated by the Board.

- 5.6. **Retained Earnings Utilization:** The retained earnings i.e., profit after tax, transfer to the free reserves and dividend (inclusive of tax), will be utilized by the Company for future expansion plans, deployment for advances, Capital adequacy etc.
- 5.7. **Classes of Shares:** the Company has presently only Equity Shares and the Dividend distribution policy is specifically formed for this class of shares.

6. PAYMENT OF DIVIDEND

- 6.1. **Time limit for deposit of dividend:** The amount of the dividend, including interim dividend, must be deposited in a scheduled bank in a separate account within five (5) days from the date of declaration of such dividend. Dividend once declared by the shareholders becomes a debt and payable unlike in the case of interim dividend. But the restriction to deposit within five (5) days of declaration even the interim also ensures that the Board

cannot go back on the commitment made by its declaration in terms of section 123(4).

6.2. Time limit for payment of dividend:

The dividend has to be paid within 30 days from the date of declaration or such other period as is applicable by law. The dividend settlement date will be decided by the Managing Director/whole-time Director.

6.3. Requirement related to declaration and payment of Dividend under SEBI (LODR) Regulations, 2015:

As our company's securities are listed on BSE and NSE, an intimation of at least 2 working days (excluding the date of the intimation and date of the meeting of the Board) is required to be given to aforesaid stock exchange(s) in terms of Regulations 29(1) and (2) of SEBI LODR, prior to the meeting of the Board at which the recommendation of final dividend is to be considered. In terms of Regulation 30, the outcome of the meeting shall be intimated, online, immediately to the above Stock Exchanges within 30 minutes of the closure of the board meeting.

In terms of Regulation 43(1) of the SEBI LODR, the Company shall declare and disclose the dividend on per share basis only.

In terms of Regulation 42(3) of the SEBI LODR, the Company shall recommend or declare all dividend at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

- 6.4. **Dividend to be paid to Registered Shareholders:** In terms of Section 123(5) of the Companies Act, no dividend shall be paid by a company

in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash. Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

6.5. Mode of payment of dividend:

Any dividend payable in cash shall be paid by using any of the electronic mode of payment facility approved by the Reserve Bank of India. Provided that where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued and the dividend amount exceeds ₹1500/, the 'payable-at-par' warrants or cheques shall be sent by speed post.

For the above purpose, the Company, through its Registrar & Share Transfer Agent (RTA) shall maintain bank details of their investors [(a) for investors holding securities in dematerialized mode, by seeking the same from the depositories. (b) for investors holding securities in physical mode, by updating bank details of the investors at their end]. The Company/RTA shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

- 6.6. **Payment of Dividend Distribution Tax (DDT):** Dividend distribution tax will be paid as per the applicable laws.

6.7. Prohibition on declaration and payment of dividend:

A company which fails to comply with the provisions of sections 73 (Prohibition on acceptance of deposits from public) and Section 74 (Repayment of deposits, etc., accepted before commencement of this Act) of the Companies Act, 2013 shall not, so long as such failure/default continues, declare any dividend on its equity shares in terms of Section 123(6).

6.8. Right of dividend to be held in abeyance pending registration of transfer shares shall be governed in terms of section 126(a) as amended from time to time.

6.9. Determine record date / book closure:

The Company shall determine the date of closure of the register of members and the share transfer register of the company as per requirements of Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI LODR. The Company shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date. The date of commencement of closure of the transfer books should not be on a day following a holiday. The dates so fixed should also not clash with the clearance programme in the stock exchanges.

6.10. Publishing of Book Closure Notice:

The Company shall give atleast a 7 days prior notice by advertisement, stating the dates of closure of its transfer books/record date, at least once in a vernacular newspaper in the vernacular language having a wide circulation in the district in which the registered office of the company is situated and at

least once in English language in an English newspaper circulating in the district and has wide circulation in the place where the registered office is located and publish the Notice on the website of the Company in terms of Rule 10 of the Companies (Management and Administration) Rules, 2014.

6.11. Time gap between two book closures:

The time gap between two book closure and record date would be at least 30 days in terms of Regulation 42(4) of SEBI LODR.

6.12. Initial validity of the Dividend warrant should be for three months:

A cheque or warrant for payment of Dividend should be valid for three months from the date thereof and, where such cheque or warrant remains unpaid after this initial period of validity, it should be revalidated for not more than three months or a fresh instrument should be issued which should have a validity of three months.

6.13. Revalidation within what period:

The Company should revalidate the Dividend warrant or issue a fresh Dividend warrant or a demand draft or pay order or electronic transfer of funds, in lieu thereof, within 30 days of the receipt of a request for revalidation.

6.14. Duplicate Dividend warrant:

A duplicate Dividend warrant should be issued only after the expiry of the validity of the Dividend warrant and the reconciliation of the paid amounts thereof. In case the original instrument is not tendered to the company, a duplicate warrant should be issued only after obtaining requisite indemnity/ declaration from the Shareholder. Where the amount of dividend warrant exceeds a sum of ₹5000/-

the indemnity/ declaration shall be obtained from the shareholder on a non-judicial stamp paper of ₹100/-.

6.15. Re-issue of Dividend Warrant: In the case of defaced, torn or decrepit or error crept-in while printing, if any, on the Dividend warrants, a duplicate warrant may be issued before the expiry of the validity period of the Dividend warrant on surrender to the company of such defaced, torn, decrepit warrant or the warrant with printing error.

6.16. Register of Duplicate Dividend Warrants:

Particulars of every Dividend warrant issued as aforesaid should be entered in a Register of Duplicate Dividend Warrants, indicating the name of the person to whom the Dividend warrant is issued, the number and amount of the Dividend warrant in lieu of which the duplicate warrant is issued and the date of issue of such duplicate warrant.

6.17. Revocation of Dividend: Dividend, once declared, becomes a debt and should not be revoked.

7. DECLARATION OF DIVIDEND IN THE EVENT OF INADEQUACY OR ABSENCE OF PROFITS IN ANY YEAR

7.1. Declaration of dividend out of accumulated profits:

In terms of second proviso of 123 (1) of the Companies Act, 2013 where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

7.2. In terms of Rule 3 of the Companies (Declaration and Payment of Dividend) Rules, 2014 as amended from time to time, in the event of inadequacy or absence of profits in any year, the company may declare dividend out of free reserves subject to the fulfillment of the following conditions, namely:—

- 1) The rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year:

Provided that this sub-rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial year.

- 2) The total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid-up share capital and free reserves as appearing in the latest audited financial statement.
- 3) The amount so drawn shall first be utilised to set off the losses incurred in the financial year in which dividend is declared before any dividend in respect of equity shares is declared.
- 4) The balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as appearing in the latest audited financial statement.
- 5) No company shall declare dividend unless carried over previous losses and depreciation not provided in previous year are set off against profit of the company

of the current year the loss or depreciation, whichever is less, in previous years is set off against the profit of the company for the year for which dividend is declared or paid.

8. TRANSFER OF UNPAID OR UNCLAIMED DIVIDEND TO SPECIAL ACCOUNT

8.1. **Transfer of unpaid dividend to Special Account:** If dividend has not been paid or claimed within the 30 days from the date of its declaration, the company is required to transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the company in a scheduled bank to be called "Unpaid Dividend Account". Such transfer shall be made within 7 days from the date of expiry of the said period of 30 days in terms of section 124 of the Act.

8.2. **Failure to transfer attracts interest:** If the company fails to transfer dividend to special account, it shall be liable to pay interest @12% and such interest has to be passed for the benefit of shareholders in proportion to the amount remaining unpaid in terms of section 124(3) of Act.

8.3. **Display of details in the web site:** In terms of section 124(2) of the Act, the Company shall upload the details of unpaid and unclaimed dividend in the company website in PDF format, year wise, with search facility must be easily accessible free of charge and facilitate easy printing. The process of uploading on the website shall be completed within 90 days from the date of transfer of the amount to special account as per Clause 8.1 above.

8.4. **Claimant can apply:** In case of any unclaimed/ unpaid dividends in respect of the financial years mentioned in the website, the claimant may apply for payment in terms of section 124(4) of Act to the Company or its Registrar and Share Transfer Agent.

9. UNPAID OR UNCLAIMED DIVIDEND TO BE TRANSFERRED TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

9.1. **Transfer to IEPF after 7 years:** Any money transferred to the unpaid dividend account of a company in pursuance of section 124 which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund established (IEPF) u/s 125(1) of Act and the company shall file a statement in "Form DIV-5" to the Authority constituted under the Act to administer the fund and such authority shall issue a receipt to the company as evidence of such transfer. [Section 124(5)]

9.2. **Shares shall also be transferred to IEPF:** In terms of section 124(6) of the Act, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred in the name of IEPF alongwith a statement containing such details as may be prescribed. If any person who has a claim on such shares can lodge his claim with Investor Education Protection Fund in such manner as may be prescribed.

9.3. **Manner in which unclaimed dividend to be transferred to IEPF:** The Company shall deposit the unclaimed dividend amount after

lapse of 7 years to IEPF within the prescribed period in the prescribed mode maintain the particulars of unpaid dividend transferred to IEPF for a period of 8 years from the date of such transfer.

In terms of Regulation 43(2) of SEBI LODR, the listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

9.4. Display of details in the web site:

The Company shall upload the details of unpaid and unclaimed dividend transferred to IEPF in the company's website in PDF format, year wise.

- 9.5. ROC filing after 7 years:** The Company shall file with the ROC one copy of the Challan evidencing deposit of the amount to the Fund in Form -1 in terms of Rule 3 (ii) (b) of Investor Education and Protection Fund (awareness and protection of investors) Rules, 2001, as amended from time to time.

10. DISCLOSURE

- 10.1. The Balance Sheet of the company should disclose under the head 'current liabilities and provisions', the amount lying in the Unpaid Dividend Account together with interest accrued thereon, if any.

10.2. The Annual Report of the company should disclose the total amount lying in the Unpaid Dividend Account of the company in respect of the last seven years. The amount of Dividend, if any, transferred by the company to the Investor Education and Protection Fund during the year should also be disclosed.

10.3. The amounts lying in the Unpaid Dividend Account and the amounts transferred to the Investor Education and Protection Fund should be disclosed in the Directors' Report.

10.4. In terms of SEBI LODR (Regulation 33 relating to disclosure in financial results) the Company shall disclose the following in respect of dividends paid or recommended for the year, including interim dividends:

i) amount of dividend distributed or proposed for distribution per share; the amounts in respect of different classes of shares shall be distinguished and the nominal values of shares shall also be indicated;

ii) where dividend is paid or proposed to be paid pro-rata for shares allotted during the year, the date of allotment and number of shares allotted, pro-rata amount of dividend per share and the aggregate amount of dividend paid or proposed to be paid on pro-rata basis.

11. SUMMARY:

11.1 The management upon compliance to all the rules, guidelines and regulations as detailed above in this policy may recommend to the Board of Directors the dividend at a rate (exclusive of the dividend distribution tax or any other applicable taxes on dividend) of any of the following:

a) Maximum of Dividend payout ratio of 20% (excluding taxes).

b) Minimum of 20% of the paid up Equity share capital.

11.2 While recommending such dividend the management will also take into account dividends declared during the preceding 3 years.

11.3 Not with-standing the above, the Board reserves the right not to declare dividend or decide any rate of dividend, for a particular year owing to certain regulatory restrictions if any, during the year, capital conservation prudence, or other exigencies which shall be stated by the Board.

Report of the Directors on Corporate Governance

Good Corporate Governance is ensured by taking fair and ethical business decisions and also conducting business taking into account the stakeholders' interests.

Corporate Governance is a set of systems and practices ensuring commitment to values, compliance of statutory regulations, political and economic environments, ethical conduct of business, accountability, transparency, voluntary practices, disclosures and acceptance by management of the inalienable rights of shareholders as the true owners of the Company. It involves relationships between the management, the Board of directors and all its stakeholders.

Good Corporate Governance is ensured by taking fair and ethical business decisions and also conducting business taking into account the stakeholders' interests. Corporate Governance is the key to the integrity of corporations, financial institutions and markets.

1. Corporate Governance at CFHL

The Company appreciates, understands, respects, accepts and follows the concept of good corporate governance including transparency, accountability, integrity, ethics and control. The Company's corporate governance philosophy encompasses enhancement of value for all stakeholders too.

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 as applicable and looks at corporate governance as a part of its business. It also adheres to the applicable provisions under the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.

The Company has been adhering to the policy over the years and has a strong commitment to the principles

that underline the effective Corporate Governance. The Company's Board over sees how the management serves and protects the long-term interests of the stakeholders. Over the past 29 years, 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. Your Company has built confidence amongst the stakeholders all these years by adherence to the standards and principles of corporate governance, compliance with statutory and regulatory directions/guidelines, and by its determination to achieve higher levels of excellence in the areas of meeting stakeholder expectations, customer satisfaction, employee welfare and its obligations towards the society.

Your Company strives to achieve the objectives of the principles to protect and facilitate the exercise of the rights of its shareholders like right to be informed of the changes, effective participation & vote in general meetings, adequate mechanism to address the grievances of the shareholders, stakeholders, etc., and provide timely and adequate information to shareholders, equitable treatment, etc. Your Company respects the rights of its stakeholders. Your Company ensures timely and accurate disclosure of all material facts including financial situation, performance, governance etc.

The directors are pleased to present below a report on the Corporate Governance practices followed in CFHL.

2. Board of Directors

The Directors of your Company are persons of integrity and bring to the Board a wide range of knowledge, experience, diversity of thought and skills. The Directors are professionals and persons of eminence with vast experience in the fields of banking, housing finance, audit, management, law and other relevant areas. The Board Diversity Policy forms part of the Nomination and Remuneration Policy of

the Company, which is available on the website of the company (<http://www.canfinhomes.com/aboutus/corporate-governance-documents>)(path).

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

The Board fulfils its key functions like reviewing and guiding corporate

strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, etc. The Board also monitors and reviews the effectiveness of the Companies 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.

(a) Composition

Sl. No.	Name of the Director	Age	DIN	Promoter, Executive, Nonexecutive, independent Nonexecutive, nominee etc.	No. of shares held by the Directors as at March 31, 2017
1	Shri K N Prithviraj, Chairman	70	00115317	Independent Non-Executive	-
2	Shri S K Hota, Managing Director	50	07491088	Promoter & Executive	-
3	Smt P V Bharathi	57	06519925	Promoter, Non-Executive	-
4	Shri S A Kadur	58	06426985	Promoter, Non-Executive	-
5	Shri T V Rao	64	05273533	Independent Non-Executive	-
6	Shri G Naganathan, FCA	54	00423686	Independent Non-Executive	-
7	*Shri C Ilango	60	03498879	Promoter & Executive	-
8	**Shri P B Santhanakrishnan, FCA	64	03213653	Independent Non-Executive	-

*Managing Director upto May 18, 2016

**Completion of tenure on conclusion of 29th Annual general meeting of the Company held on July 20, 2016, who was holding 520 equity shares.

The Board consists of six members. The Chairman of the Board Shri K N Prithviraj is an Independent non-executive Chairman. Shri S K Hota has been appointed as the Managing Director (Promoter & Executive Director) of the Company w.e.f. May 19, 2016, approved by shareholders at the 29th AGM held on July 20, 2016. Shri S A Kadur and Smt. P V Bharathi are Non-executive Promoter Directors and Shri T V Rao and Shri G Naganathan are Independent non-executive Directors on the Board.

The composition of the Board is as specified in Regulation 17(1) of SEBI (Listing Obligation & Disclosure

Requirements) Regulations, 2015 and also as required under Chapter XI of the Companies Act, 2013.

The Non-Executive Directors are eligible for sitting fees for attending the meetings of the Board and Committees, within the limits prescribed under the Companies Act, 2013.

None of the Board of Directors are related inter-se. However, Smt P V Bharati is an Executive Director of Canara Bank; Shri S A Kadur and Shri S K Hota are General Managers in Canara Bank, the promoter of the Company.

(b) Attendance of each Director etc.

The Board of Directors of your Company met 9 times during the FY16-17 and the meetings were held within the prescribed periodicity. The details of the Board of Directors in terms of their attendance, number of meetings attended/held during the financial year ended March 31, 2017, sitting fees paid and their attendance at the AGM are as under:

Name of the Director	Board Meetings Attended/ held during their tenure in CFHL	Sitting Fee Paid (₹)	Attendance at the last Annual General Meeting held on July 20, 2016
Shri K N Prithviraj, Chairman	8/9	1,60,000	Attended
Shri S K Hota, Managing Director	9/9	NA	Attended
Smt. P V Bharathi	6/9	1,20,000#	Attended
Shri S A Kadur	6/9	1,20,000#	Not attended
Shri T V Rao	9/9	1,80,000	Attended
*Shri G Naganathan, FCA	6/6	1,20,000	-
**Shri C Ilango	2/2	NA	Attended as an Invitee
***Shri P B Santhanakrishnan, FCA	3/3	60,000	Attended

*Appointed as an Additional Director (Independent) on Board w.e.f September 07, 2016

**Managing Director upto May 18, 2016

***Completion of tenure on conclusion of 29th Annual general meeting of the Company held on July 20, 2016

#Sitting fee paid to Canara Bank

(c) Number of Directorships and Memberships in Committees etc. as on March 31, 2017.

The details of the Board of Directors in terms of their directorships held, in public limited companies, listed companies etc. and their memberships/ Chairmanships in Audit Committee (AC) and Stakeholders Relationship Committee (SRC) are as under:

Name of the Director	Total Directorships disclosed (including CFHL)	Directorships held including at CFHL #				*Membership of AC & SRC in public limited companies (including CFHL)	Chairman of AC & SRC Committees in public companies
		Public Limited	Others	Listed	Unlisted		
Shri K N Prithviraj, Chairman -Independent	7	6	1	3	4	3	Nil
Shri S K Hota, Managing Director	1	1	Nil	1	Nil	1	Nil
Smt. P V Bharathi	4	4	Nil	2	2	2	Nil
Shri S A Kadur	1	1	Nil	1	Nil	1	Nil
Shri T V Rao	8	7	1	7	1	8	2
Shri G Naganathan, FCA	1	1	Nil	1	Nil	2	1
Shri C Ilango, Managing Director (upto May 18, 2016)	1	1	Nil	1	Nil	1	Nil
Shri P B Santhanakrishnan, FCA, Independent Director, Non-executive (upto July 20, 2016)	2	2	Nil	1	1	2	1

#The number of Directorships held by the directors in public limited companies are within the prescribed limits in terms of Section 165 of the Companies Act, 2013 and the directorships held by Independent Directors and Membership/Chairmanship of Board Committees held by the Directors are in conformity with Regulations 25 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* Total memberships includes Chairmanships.

(d) Number of meetings of Board of Directors

The Board meets at least once a quarter to review the quarterly performance and financial results of the Company. Apart from the scheduled Board Meetings, additional Board Meetings are also convened to ensure smooth operations of the Company.

The agenda, Board notes, including explanatory notes are circulated to all the directors well in advance.

Depending upon the need, executives of the Company and senior management are invited to the meetings of the Board to provide additional inputs/ clarifications on the subject being discussed by the Board.

The decisions taken on the agenda are promptly communicated to the concerned departments. The Action Taken Report (ATR) on the decisions of the previous meetings is placed at the succeeding meeting of the Board for review/noting. A similar procedure is followed for each meeting of the Board committees.

The Board of Directors of your Company met 9 times during the FY16-17 : April 28, 2016, May 18, 2016, July 14, 2016, September 07, 2016, October 18, 2016, November 21, 2016, December 19, 2016, January 17, 2017 and March 23, 2017. The Board met on April 25, 2017 to approve the annual audited financial results of the Company for the year ended March 31, 2017.

The maximum interval between two meetings did not exceed 120 days.

(e) 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 over see the performance of the management periodically. The Company and its Board benefits immensely from the in-depth knowledge, experience and expertise of its Independent Directors in achieving its desired level of business performance and good corporate governance.

The Independent Directors have given a declaration to the Company confirming adherence to the code of conduct/ criteria of independence, directorships etc.

The Company has in place the evaluation criteria for performance evaluation of Independent Directors wherein their preparation, deliberations, effective participation, skills and knowledge to discharge their duties as Independent Directors, etc. are rated by all the Directors (excluding the Director being evaluated).

Meeting of Independent Directors:

The Independent Directors at their meeting held during the year have reviewed the performance of the Board as a whole, the Committees, the Managing Director, the non-independent directors and the Chairperson. The evaluation formats of the Board, Committees and directors are prepared considering the guidance note on Board Evaluation vide SEBI Circular No. SEBI/HO/CFD/CMD/P/2017/004 dated January 05, 2017.

(f) Appointment / re-appointment / resignations of Directors

The Board of Directors has appointed Shri G Naganathan, FCA, on the Board of the Company with effect from

September 07, 2016 as an additional director and as an Independent Director pursuant to Section 161, 149 and all other applicable provisions of Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

Shri T V Rao, appointed on the Board of the Company with effect from February 01, 2014 as an Additional Director was appointed as an Independent Director by the members at the 27th Annual General Meeting of the Company held on July 30, 2014. As per the terms of appointment his tenure will come to end on the conclusion of the Annual General Meeting of the Company for the year 2017 i.e., June 28, 2017.

The Board of Directors of the Company at their meeting held on May 15, 2017 have re-appointed Shri T V Rao as an Independent Director of the Company for a further period of one year until the conclusion of Annual General Meeting of the Company of the year 2018.

Shri K N Prithviraj, appointed on the Board of the Company with effect from June 04, 2014 as an Additional Director was appointed as an Independent Director by the members at the 27th Annual General Meeting of the Company held on July 30, 2014. As per the terms of appointment his tenure will come to end on the conclusion of the Annual General Meeting of the Company for the year 2017 i.e., June 28, 2017.

The Board of Directors of the Company at their meeting held on May 15, 2017 have re-appointed Shri K N Prithviraj as an Independent Director of the Company for a further period of one year until the conclusion of Annual General Meeting of the Company of the year 2018.

Pursuant to the provisions of the Companies Act, 2013, Smt. P V Bharathi, Director of the Company is retiring by rotation at the ensuing Annual General

Meeting and being eligible, offers herself for re-appointment. Smt. P V Bharathi is a Director of the Company, since September 22, 2014. At present, Smt. Bharathi is the Executive Director of Canara Bank.

Brief profiles of Shri G Naganathan, Shri T V Rao, Shri K N Prithviraj and Smt. P V Bharathi, Directors, are provided in page 22 of this Annual Report.

Agenda relating to appointment of Shri Naganathan as an Independent Director, re-appointment of Shri T V Rao and Shri K N Prithviraj, Independent Directors and Smt. P V Bharathi as Director are forming part of the Notice of the ensuing Annual General Meeting.

The further particulars of their Directorships are provided in the explanatory statement forming part of the Notice of the ensuing Annual General Meeting.

All the Directors have filed their consents and all the declarations as required under the provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directors, 2016. During the period under review, the members have approved the appointment of Shri S K Hota, General Manager, Canara Bank as Managing Director at the 29th Annual General Meeting held on July 20, 2016. Complete particulars relating to appointment of Shri S K Hota, Managing Director, was made available in the Annual Report 2015-16.

Shri C Ilango, Managing Director, had resigned as a Director w.e.f May 18, 2016. Complete particulars of the said resignation were made available to the members in the Annual Report 2015-16.

(g) Responsibilities of the Board

The Board reviews the legal compliance reports on a quarterly basis to ensure statutory/regulatory compliances and

also the steps taken for rectifying the instances of non-compliances, if any.

The Board mainly oversees the Company's strategic direction, annual operating plans and budgets, capital budgets, financial results, minutes of the meetings of the committees, materially important notices, if any, compliance of regulatory and statutory requirements, performance review, assessment of the adequacy of risk-management and possible steps for mitigation of risks, monitoring strategic investments and safeguarding the interests of all stakeholders.

The Board discharges the duties and responsibilities as required under the various statutes that are applicable to the Company viz., the Companies Act, 2013, Directions/Guidelines/Regulations issued by the Securities Exchange Board of India (SEBI), National Housing Bank (NHB) and various Statutory and Regulatory Authorities, including reporting and disclosures to be made to the shareholders.

The Board has empowered the senior management to implement its broad policies and guidelines including the succession plan for senior management and has set up adequate review mechanisms and processes.

The Nomination & Remuneration Policy, Related Party Transaction Policy, Code of Fair disclosure, Familiarisation policy, Corporate Governance Policy, Whistle blower policy, Code of conduct for Directors/ Independent Directors, policy on Disclosure of material events, policy on prohibition of Insider Trading, Archival policy etc. are displayed on the Company's official website.

Familiarisation Programme

The Company has in place a system of conducting the familiarisation

programme for Independent Directors, as per which the Independent Directors were familiarised with their roles, rights, responsibilities, nature and the business model of the Company, etc. The said policy and the details of the familiarisation programmes conducted during FY16-17 are placed on the website of the Company at [http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments\(path\)](http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments(path)).

All Directors, including Independent Directors, on induction will be appraised of the nature of industry and business model of the Company and the roles, rights, responsibilities in terms of Companies Act and related rules, SEBI LODR Regulations etc.

Presentations on risk profile and risk management of the Company, internal and external audit plans, business and financial performance, updates on compliances, regulatory scenario and regulatory changes which affect/concern the Company, company policies, internal controls, investor relations etc. were made at the various Committee/ Board Meetings of the Company.

(h) Code of Conduct

For the year under review, all the Directors and senior management have affirmed compliance with the provisions of their Code of Conduct. A declaration from the Managing Director/CEO of the Company is placed as an annexure to the Report of Directors.

In terms of the Code of Conduct of Independent Directors as per Schedule IV of the Companies Act, 2013 w.e.f. April 01, 2014, the Board has adopted the said Code and all the Independent Directors have affirmed that they shall abide by the said Code. The Code of Conduct of Board of Directors, Independent Directors and Management Personnel are made available in the Company's official website.

In terms of the new Directions issued by the National Housing Bank viz., HFCs Corporate Governance (NHB) Directions, 2016, all the Directors have executed the Declarations-cum-undertakings as well as the Deed of Covenants with the Company.

(i) Committees of the Board

The Board has constituted six Committees as of date viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Management Committee. In order to have a more focussed attention, the Board has delegated certain matters to the committees constituted by the Board with an outlined role, responsibility and with appropriate authority. The minutes of the meetings of all the committees are placed before the subsequent meeting of the Board for information.

3. Audit Committee (AC)

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

(a) Brief description of terms of reference

The terms of reference of the Audit Committee inter-alia include:

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- ii. Recommendation for appointment, remuneration, and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for their services;
- iv. Reviewing, with the management, the quarterly and annual financial statements and limited review/ auditor's report thereon including report on adequacy of internal financial control before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement, to be included in the Board's report in terms of clause(c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgement by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses /application of funds raised to ensure that the funds are utilized for purposes stated in the offer document;
- vii. Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;
- viii. Approval of related party transactions and subsequent modification of transactions, if any;
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuations of undertakings or assets of the company wherever it is necessary.
- xi. Evaluation of Internal Financial Controls and Risk Management systems.
- xii. Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems;
- xiii. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with the Internal Auditors of any significant findings and follow up thereon;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower Mechanism;
- xix. Approval of appointment of CFO after assessing the qualifications, experience and background, etc of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition of the Audit Committee and other details:

During the year the Audit Committee met 5 times - on April 27, 2016, July 13, 2016, October 17, 2016,, October 18, 2016 and January17, 2017. The maximum interval between two meetings did not exceed 120 days as prescribed under Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulation, 2015. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri G Naganathan, FCA, Chairman (Non-Executive), Independent Director (w.e.f September 07, 2016)	3	3/3	30,000
Shri S A Kadur, Member, Promoter, Non-executive	5	3/5	30,000*
Shri T V Rao, Member Independent, Non-executive	5	5/5	50,000
Shri P B Santhanakrishnan, FCA Independent Director (Former non-executive Chairman of the Committee) (upto July 20, 2016)	2	2/2	20,000

*Sitting fee paid to Canara Bank

Shri P B Santhanakrishnan, FCA, Former Chairman of the committee was present at the 29th Annual General Meeting of the Company to answer shareholder queries.

The Company Secretary is the Secretary to the Audit Committee.

4. Nomination and Remuneration Committee (NRC)

(a) Brief description of terms of reference:

The Nomination and Remuneration Committee constituted by the Board comprise three Non-Executive directors, of which two of the members, including the Chairman, are Independent Directors. The Board has authorised the Committee with clear roles and responsibilities in terms of the provisions of the Act and rules made thereunder and also with those set out in the listing agreement, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016. The Nomination and

Remuneration policy of the Company, duly approved by the Board, covers the criteria for determining qualifications, positive attributes and independence of a Director, evaluation of Independent Directors and the Board, authorisation to identify persons who are qualified to become Directors, and who may be appointed in senior management, recommending to the Board their appointment/removal, and also the remuneration policy.

The NRC reviews the information, declarations and undertakings given by the existing and proposed Director(s) giving additional information in the prescribed format in terms of 'Housing Finance Companies - Corporate Governance (National Housing Bank) Directions, 2016' (vide notification No.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 09, 2017). The NRC also ensures that the deeds of covenants are signed by the Directors in the format prescribed.

The Nomination and Remuneration Policy of the Company is available on

the website of the Company at [http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments\(path\)](http://www.canfinhomes.com/Aboutus/CorporateGovernancedocuments(path)).

Nomination policy, among other things, includes:

- Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who are qualified to become Directors of the Company, including Board Diversity. 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.
- Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who may be appointed in Senior Management of the Company.

- iii) Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- iv) Evaluation of every Director's performance by Nomination and Remuneration committee.

The Remuneration policy, among other things, covers:

- i) Remuneration for the Directors, Key Managerial Personnel and other employees of the Company.
- ii) The Remuneration to the employees of CFHL including the

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

(b) Composition of the Nomination and Remuneration Committee and other details:

During the year, the Nomination and Remuneration Committee met 4 times on April 27, 2016, May 18, 2016, September 07, 2016 and March 22, 2017. The particulars of the members of the Committee, number of meetings attended by them/held during their tenure of membership and the sitting fee paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri T V Rao, Chairman, Non-executive Independent,	4	4/4	40,000
Smt P V Bharathi, Promoter, Non-executive	4	3/4	30,000*
Shri G Naganathan, FCA, Independent Director, Non-executive (w.e.f September 07, 2016)	1	1/1	10,000
Shri P B Santhanakrishnan, FCA, Independent Director, Non-executive (upto July 20, 2016)	2	2/2	20,000

*Sitting fee paid to Canara Bank

(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 of Directors and in the evaluation process, the Directors who are subject to evaluation had not participated.

The Company Secretary is the Secretary to the Nomination and Remuneration Committee.

5. Remuneration of Directors

For the financial year ended March 31, 2017, except for the Managing Director there were no other executive directors on the Board of the Company. The remuneration paid to the Managing Director was as approved by the members at the Annual General Meeting of the Company held in 2016 and the same was as per the Staff Service Regulations of Canara Bank as amended from time to time.

The non-executive directors are eligible to receive only sitting fee for attending the meetings and reimbursement of any out-of pocket expenses towards Boarding and lodging and transport/conveyance etc. incurred, if any, for attending the meeting (s).

Disclosures with respect to remuneration of Directors (In terms of Schedule V of SEBI (LODR) Regulations, 2015):

- (i) All elements of remuneration package of individual directors are summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc.:

For remuneration particulars of the Managing Director please refer page 66 of Extract of Annual Report in Form MGT – 9 attached to the Report of Directors.

- (ii) Details of fixed component and performance linked incentives, along with the performance criteria:

For remuneration particulars of the Managing Director please refer page 66 of Extract of Annual Report in Form MGT – 9 attached to the Report of Directors

- (iii) Service contracts, notice period, severance fee: Not applicable.
- (iv) Stock option details, if any, and whether issued at a discount as well as the period over which accrued and over which exercisable: Not applicable.

6. Stakeholders' Relationship Committee (SRC)

(a) Brief description of terms of reference:

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

This Committee reviews/approves processes, standard operating procedures and initiatives undertaken by the Company relating to investor

service, compliances with requirements related to SEBI (LODR) Regulations, 2015 and Corporate Governance, shareholding pattern, periodical transfers/transmissions of shares, de-materialisation and re-materialisation of shares, issue of duplicate certificates of the securities issued by the Company, review of the status of redressal of complaints, if any, lodged with authorities including SEBI, Registrar of Companies, etc. by the stakeholders, compliance with the applicable provisions of the Companies Act, 2013 and various other statutes.

(b) Composition of the Stakeholders' Relationship Committee and other details:

During the year, the Stakeholders' Relationship Committee met 4 times, viz. April 28, 2016, July 13, 2016, October 17, 2016 and January 17, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fees paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri T V Rao, Independent, Non-executive, Chairman	4	4/4	40,000
Shri S K Hota, Managing Director (w.e.f. May 19, 2016)	3	3/3	NIL
Shri G Naganathan, FCA, Independent Director, Non-executive (w.e.f. September 07, 2017)	2	2/2	20,000
Shri C Ilango, Managing Director (upto May 18, 2016)	1	1/1	NIL
Shri P B Santhanakrishnan, Independent Director, Non-executive (upto July 20, 2016)	2	2/2	20,000

The Company Secretary is the Secretary to the Committee.

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

The Board informs that there were no complaints pending as at the beginning of the financial year and during the year 6 complaints were received and all the complaints stand resolved as at the end of the financial year ended March 31, 2017 (SEBI SCORES).

7. Corporate Social Responsibility Committee

During the year, the Corporate Social Responsibility (CSR) Committee met 2 times on April 28, 2016 and March 22, 2017.

The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri K N Prithviraj, Independent, Non-executive Chairman	2	2/2	20,000
Shri S K Hota, Managing Director (w.e.f. May 19, 2016)	1	1/1	NIL
Shri G Naganathan, FCA, Independent Director, Non-executive (w.e.f. September 07, 2017)	1	1/1	10,000
Shri C Ilango, Managing Director (upto May 18, 2016)	1	1/1	NIL
Shri P B Santhanakrishnan, Independent Director, Non-executive (upto July 20, 2016)	1	1/1	10,000

The Company Secretary is the Secretary to the Committee.

The Company has focussed in promoting education including special education and employment by enhancing vocational skills especially among children. The company also focuses on women empowerment by promoting gender equality, setting up homes and hostels for women and orphans; setting up old age homes, day care centres, livelihood enhancement projects for the elderly & the differently abled. Reducing inequalities faced by socially and economically backward groups and contribution to Prime Minister's National Relief Fund also forms part of its CSR activities.

Other information relating to the particulars on spending in terms of the Corporate Social Responsibility Policy and reasons for not spending / carrying forward the balance amount, if any, during the current year are disclosed

in a separate report annexed to the Report of Directors, forming part of this Annual Report.

8. Risk Management Committee (RMC)

The Risk Management Committee comprise three members - two Directors and a senior management executive. The Risk Management Policy defines the role and responsibilities of the Committee and delegation of appropriate authority.

The terms of reference to the Committee include overall responsibility to monitor and manage enterprise-wide risk i.e., overall risk in the Company. The Committee shall approve and monitor the overall risk management framework for management of credit risk, market risk, operational risk, asset liability management, compliance risk, etc. The Committee will also review all

the policies of the Company and risk profile of the Company at periodical intervals. Thereafter, the same will be recommended to the Board for review/ approval.

The Committee meets at periodical intervals and reviews the key risks associated with the business of the Company, causes and efficacy of the measures taken to mitigate the same. The Committee also reviews the risk profile of the Company on a quarterly basis and appraises the Board of Directors about the key risks associated with the business of the Company, its risk profile, overall risk rating and steps taken to mitigate the same.

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

During the year the Risk Management Committee met 3 times - on July 14, 2016, September 07, 2016 and March 22, 2017. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Smt P V Bharathi, Chairperson Non-executive, Promoter	3	3/3	30,000*
Shri T V Rao, Independent, Non-executive	3	3/3	30,000
Smt. Shamila M, Dy. General Manager	1	1/1	NIL
Shri P V S Raju, Dy. General Manager (Upto March 31, 2017)	2	2/2	NIL

*Sitting fee paid to Canara Bank

The Company Secretary is the Secretary to the Committee.

9. Management Committee (MC)

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

During the year the Management Committee met on September 07, 2016. The particulars of members of the Committee, number of meetings attended by them/held during their tenure of membership and the sitting fee paid are mentioned hereunder:

Members	Number of meetings held	Number of meetings attended/held during the tenure of the member	Sitting Fees Paid (₹)
Shri S K Hota, Managing Director and Chairman (w.e.f. May 19, 2016)	1	1	NIL
Shri S A Kadur, Non-executive, Promoter	1	NIL	NIL
Shri T V Rao, Independent, Non-executive	1	1	10,000

The Company Secretary is the Secretary to the Management Committee.

The Audit Committee, the Nomination & Remuneration Committee, the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee are chaired by Independent Directors.

The Independent Directors are not paid any fee/remuneration apart from the sitting fee paid for attending the meetings.

Depending upon the need, the Committees invite the Senior Management Personnel/ Functional Heads, Statutory Auditors/Branch Auditors of the Company, Tax Consultant, Internal Auditors and such other professionals with relevant expertise, to attend the meetings and provide clarifications on certain specific issues, if any.

The dates of meetings of the above Committees are decided in consultation with the 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.

10. Disclosures

(a) Materially significant related party transactions

The Company has a policy in place on the Related Party Transactions. The policy defines clearly the transactions

which require approval from Audit Committee, the Board of Directors and members at the Annual General Meeting, provision for prior approval, periodical review, omnibus approval, transactions in the ordinary course of business or otherwise, transactions within arm's length basis or other wise, materiality of the transactions as defined under Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as applicable, and threshold limits as defined and in conformity with the provisions of the Companies Act, 2013, the related rules and the requirements under said regulations, as amended from time to time.

The Company has been entering into contracts and arrangements with the promoter and sponsor bank viz., Canara Bank since incorporation, in the ordinary course of business. The Company has been maintaining current accounts for business transactions, availing Term Loans, Overdraft facilities, making payment of interest, placing short term/long term deposits to meet the statutory liquidity limits (SLR purpose) and collecting /recovering interest thereon, leasing out business or residential premises, if any, of the Company to the Bank on rent or occupy any business or residential premises of the Bank on rent, paying bank charges to the bank, borrow by way of Commercial Papers, etc. Further the Company has also been availing the services of Canbank Computer Services Ltd., a subsidiary of the Sponsor Bank, as the Registrar or Share Transfer Agent of the Company (RTA), in the ordinary course of business.

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 ₹3,000 Crore (Rupees Three Thousand Crore) only, by way of special resolution at the 28th Annual General Meeting of the Company held on July 08, 2015. As on March 31, 2017 the overall related party transactions of the Company outstanding with Canara Bank and/or its subsidiaries was ₹1,861 Crore.

The Company has been disclosing all the transactions with related parties on a quarterly basis to the stock exchanges along with the compliance report on corporate governance in terms of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The disclosure in compliance with the Accounting Standard on 'Related Party Disclosures' as required under Regulations 34(3) and 53(f) read with Part A Schedule V of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, are disclosed by the Company in the Notes forming part of the financial statements (Note No.31 at page No.129 of the Annual Report) and the particulars of such contracts/ arrangements are provided as an annexure to this Report of Directors. This is also in compliance of the HFCs Corporate Governance (NHB) Directions, 2016.

The Company's Related Party Transactions Policy mainly covers the objectives, scope, transactions that are considered as related party transactions, identification of potential related party transactions, approval of related party transactions, procedure for seeking approval, review, disclosures etc. The Company's Related Party Transactions Policy is on the website of the Company placed at [https://www.canfinhomes.com/about_us/corporate_governance_documents\(path\)](https://www.canfinhomes.com/about_us/corporate_governance_documents(path)).

(b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) of the Board or any statutory authority, on any matter related to capital markets, during the last three years;

- (i) During the FY15-16, the BSE Limited had imposed a fine of ₹28,000/- and service tax thereon for the alleged delay in submission of the report of Corporate Governance for the quarter ended December 31, 2015 online.
- (ii) During the FY14-15, the National Stock Exchange of India Ltd. had imposed a fine of ₹4,000/- for a delay of four days in submission of the Annual Report 2014-15.

Other than the fine amounts mentioned above, no penalties or strictures have been imposed on the Company by any stock exchange, SEBI or any other statutory authority on any matter relating to the capital markets.

(c) Details of establishment of vigil mechanism/ whistle blower policy

The Company has established a Whistle Blower Policy/vigil mechanism for the Directors, employees and other stakeholders to enable them to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under this mechanism, the improper practice, if any, in the Company, can be directly reported to the Audit Committee. A communication in this regard has been sent to all the employees of the Company and reiterated during the Branch Managers' Conference, training programmes and in circulars. The Company affirms that the mechanism provides adequate safeguards against victimisation of Director(s)/employee(s) who use the

mechanism, provides for direct access to the 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/aboutus/corporate-governance-documents> (path).

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and all the applicable clauses of Regulation 46(2) of the Listing Regulations.

(e) This Corporate Governance Report of the Company for the FY16-17 or as on March 31, 2017 are in compliance with the requirements of Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(f) 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 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;
- (iii) **Modified opinion(s) in audit report:** The Company already

has a regime of un-qualified financial statements. There were no qualifications on financial statements by the Auditors.

- (iv) **Separate posts of Chairperson and CEO:** Shri K N Prithviraj is the Non- Executive Chairperson of the Company on the Board; and Shri S K Hota is the Managing Director and Chief Executive Officer of the Company.
- (v) **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/about-us/corporate-governance-documents> (path).

11. 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 Canfin Homes Ltd". The updated Code incorporates the duties of Independent Directors. The Codes are available on the website of the Company at <https://www.canfinhomes.com/aboutus/corporate-governance-documents> (path).

The Managing Director and CEO of the Company has given a declaration that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of conduct of Board of Directors and senior management during the FY16-17. The said declaration has been made as an annexure to the Report of Directors forming part of this Annual Report.

12. 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 25, 2017 convened for approval of the audited financial results of the Company for the year under review and the same is annexed to the financial statements forming part of this Annual Report.

13. Disclosures with respect to demat suspense account/ unclaimed suspense account;

The details of shares in the demat suspense account or unclaimed suspense account, as applicable are given below:

- (a) There were 551 numbers of shares pertaining to 9 numbers of shareholders outstanding/lying in the suspense account at the beginning of the year;
- (b) Out of 9 shareholders, 1 number of shareholder/(s) approached the Company during the year claiming transfer of 30 shares to his demat account;
- (c) 30 shares pertaining to 1 number of shareholder/(s) was/were transferred to his/their respective accounts as per his/their claim, during the year;
- (d) 521 shares pertaining to 8 number of shareholders remain outstanding/ lying in the suspense account at the end of the year;

- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

14. Compliance with Accounting Standards

The Company has complied with the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. The financial statements for the year have been prepared in accordance with Schedule III Companies Act, 2013, as applicable.

15. Remuneration of Non-Executive Directors

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

The Non-Executive Independent Directors of the Company have declared that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and that they will abide by the provisions specified in Schedule IV of the said Act.

16. Shareholding of Non-Executive Directors

Shri P B Santhanakrishnan, FCA, an Independent Director (whose office was vacated on completion of tenure on

July 20, 2016) held 520 equity shares of the Company. No other Non-Executive Director of the Company holds any equity shares of the Company.

17. 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.

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.

18. Subsidiaries

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

19. Report on Corporate Governance

The Company has complied with the mandatory requirements as stipulated under Regulation 27 of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015. The quarterly compliance reports on corporate governance 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.

20. Compliance

Compliance with mandatory requirements:

M/s Kedarnath and Associates, Practicing Company Secretaries, have certified that the Company has complied with the mandatory requirements as stipulated under Regulation 17 to 27 and clauses (b) to (i) of Schedule V of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015.

The said certificate is annexed to the Report of Directors and will be submitted to the Stock Exchanges and the Ministry of Corporate Affairs along with the Annual Report.

The Company has maintained a functional website viz., [http:// www. canfinhomes.com/](http://www.canfinhomes.com/) which contains the

basic information about the Company. Further the Company has disseminated all the information as required under Regulation 46(2) of the SEBI (LODR) Regulations, 2015 and the Company has been complying with the requirements under regulation 46(3) of the said regulations.

Compliance with non-mandatory requirements:

The Company has been maintaining the un-qualified quarterly/half-yearly/annual un-audited/audited financial statements of the Company. As regards the other non-mandatory requirements, the Board has taken cognisance of the same and may consider adopting them as and when deemed appropriate.

Going Concern:

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date : May 15, 2017

Sd/-
K N Prithviraj
Chairman

General information to Shareholders

This section of the Annual Report offers information to the shareholders pertaining to the Company, its shareholding pattern and means of dissemination of information, service standards, share price movements and such other information as required under regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 hereinafter referred to as 'SEBI regulations'.

1. Board Meetings and Committee Meetings

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

2. Annual General Meetings (AGMs)

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

Year	Time	Day	Date	Venue
2014	11.00 A.M	Wednesday	July 30, 2014	J.S.S. Mahavidya Peetha "Shivarathreeshwara Centre" Auditorium, I Main, 8th Block, Jayanagar, Bengaluru 560082
2015	11.00 A.M	Wednesday	July 08, 2015	Same as above
2016	11.00 A.M	Wednesday	July 20, 2016	Same as Above

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

2014	- Consent of the Board of Directors of the Company to borrow money(ies) as they deem requisite for the purpose of business of the Company, provided that the total amount upto which money(ies) borrowed by the Board of Directors shall not exceed ₹12,000 Crore at any one time. - Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue of covenants etc. - Approval for Offer or invitation/issue for subscription for Non-Convertible Debentures (NCDs) aggregating to ₹2,500 Crore on private placement. - Authorisation for offer or invitation for subscription for Tier-II Subordinated Bonds aggregating to ₹300 Crore on private placement.
2015	- Increasing the borrowing powers of the Board of Directors of the Company from ₹12,000 Crore to ₹14,000 Crore. - Authorisation to the Board of Directors to mortgage, create charge on all or any of the assets of the Company and further issue covenants for negative pledges/lien etc. - Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹2,500 Crore on private placement. - Approval for Related Party Transactions - Approval for "CFHL Employees Stock Option Scheme 2015"
2016	- Increasing the borrowing powers of the Board of Directors of the Company from ₹14,000 Crore to ₹16,000 Crore. - Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to 3,000 Crore on private placement.

PS: During the last three years there were no items falling under special resolution through Postal Ballot.

4.30th Annual General Meeting (AGM)

(a) **Date** : June 28, 2017 - Wednesday

Time : 11 A.M.

Venue : J.S.S. Mahavidya Peetha, "Shivarathreeshwara Centre" Auditorium, I Main, 8th Block, Jayanagar, Bengaluru 560082.

Bus Route Nos. 12 and 12E pass through Jayanagar 8th Block and Route Nos. 12A, 12B and 12D pass through Deepak Nursing Home close to the venue of the AGM. (Route MAP is made available in the Notice of the AGM).

(b) **Financial year is from April 01, 2017 to March 31, 2018**

Calendar 2017-18: The probable schedule for holding meetings of the Audit Committee/Board of Directors is as under:

Nature of meeting	Purpose	Probable date
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending June 30, 2017.	During Second/Third week of July, 2017
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending September 30, 2017.	During Second/Third week of October, 2017
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending December 31, 2017.	During Second/Third week of January, 2018
Audit Committee/ Board Meeting	To review, approve and take on record the financial results (Audited) for the quarter and the financial year ending March 31, 2018.	During Second/Third week of April, 2018

5. Date of book closure:

Friday the June 16, 2017 to Wednesday the June 28, 2017. (Both days inclusive)

6. Dividend payment:

The Board of Directors of the Company have recommended a dividend at ₹10/- per equity share of ₹10 each (100%), for the financial year ended March 31, 2017, subject to approval of the shareholders at the ensuing annual general meeting and if declared, will be paid within 7 days.

7. Entitlement for dividend:

- For the shares held in physical form: To the shareholders whose names appear on the register of members as at the close of business hours on June 15, 2017.
- 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 June 15, 2017.

8. Listing of Equity Shares

BSE Limited

P J Towers, Dalal Street, Mumbai 400001.

National Stock Exchange of India Ltd.

"Exchange Plaza", Bandra-Kurla complex, Bandra(E), Mumbai 400051.

The Non Convertible Debentures (NCDs) issued by the companies on private placement are listed on WDM segment of National Stock Exchange of India Limited.

9. Listing fee

The listing fees for the year 2016-17 and 2017-18 have been paid to the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for 2016-17 and 2017-18 to NSDL and CDSL has also been paid within the due dates.

10. Stock code

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

By Name: CANFINHOME

By Scrip Code: 511196

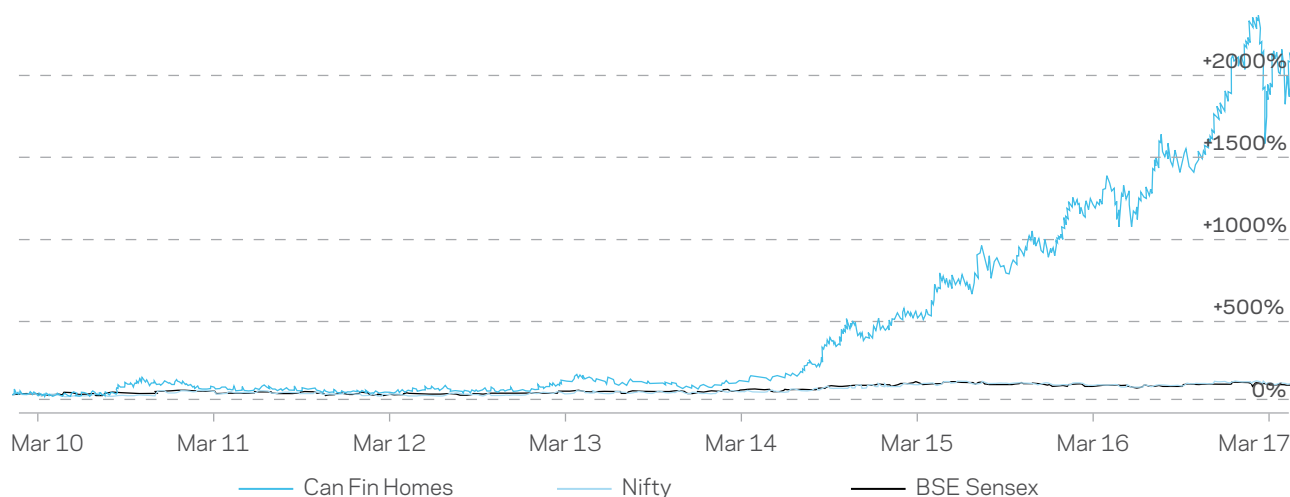
The ISIN allotted to the Equity Shares of the Company is: INE 477A01012. National Stock Exchange has added the shares of our Company to the Futures and Options segment w.e.f April 28, 2017.

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

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

Month and Year	National Stock Exchange of India Ltd. (NSE), Mumbai (₹)		Bombay Stock Exchange Ltd.(BSE), Mumbai (₹)	
	High	Low	High	Low
April, 2016	1324.80	1136.60	1324.00	1138.80
May, 2016	1296.00	1131.80	1295.00	1134.75
June, 2016	1261.00	1082.00	1260.00	1079.85
July, 2016	1355.00	1185.00	1355.00	1185.60
August, 2016	1509.00	1316.90	1509.60	1318.00
September, 2016	1788.00	1498.00	1786.35	1491.00
October, 2016	1889.85	1640.05	1887.00	1640.00
November, 2016	1871.00	1259.90	1872.00	1252.05
December, 2016	1719.80	1388.00	1720.00	1390.00
January, 2017	1887.00	1605.50	1884.35	1607.50
February, 2017	2080.00	1861.00	2079.00	1866.00
March, 2017	2155.90	1882.10	2157.00	1880.00

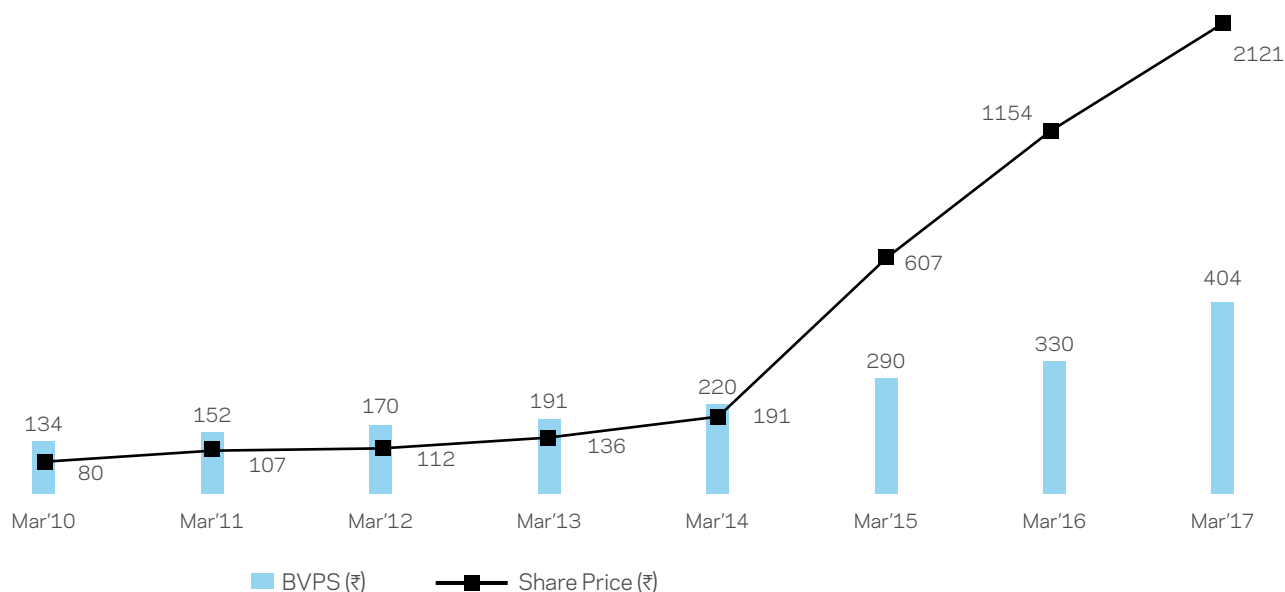
12. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index & NSE Nifty - 2010-2017



13. Stock price and Book Value – Year to Year – 2010-2017

Book Value per share as on March 31, 2017 = ₹404/- per equity share of face value of ₹10/- per share.

Market Value per share as on March 31, 2017 (High) = 2129.50 (NSE), 2124.95 (BSE)



Source: NSE

14. Registrar and Share Transfer Agents (RTA)

Canbank Computer Services Ltd.,
Unit: Can Fin Homes Ltd., R&T Centre,
No.218, J P Royale, I Floor, 2nd Main,
Sampige Road, (Near 14th Cross),
Malleshwaram, Bengaluru 560003
Tel: 080-23469661/62, 23469664/65
Fax: 080-23469667
e-mail: canbankrta@ccsl.co.in

Karvy Computershare Pvt Ltd. (Registrar for Rights Issue made in 2014-15 only)
Plot No 17-24, Vittalrao Nagar
Madhapur, Hyderabad 500081
Tel: 40 44655312
Fax: 40 23431551
e-mail: Einward.ris@karvy.com

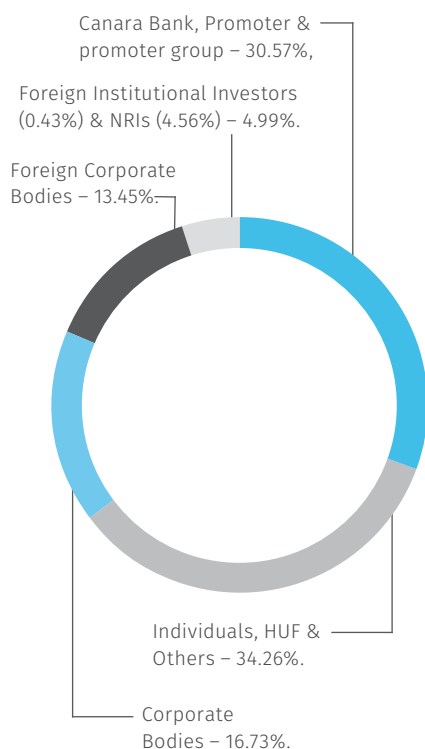
15. Share transfer system

The powers to consider and approve share transfers/transmissions/consolidation/sub-division, etc. have been delegated by the Board to the Company Secretary and one of the Asst. General Managers at the Registered Office of the Company and such requests are processed once in ten days. However, in cases of disputes over title to shares pending before Courts or otherwise, stop transfer instructions are registered by owners, the transfers take place on resolution of disputes between the parties and/or in terms of the applicable provisions of law.

16. Distribution of shareholding as of March 31, 2017

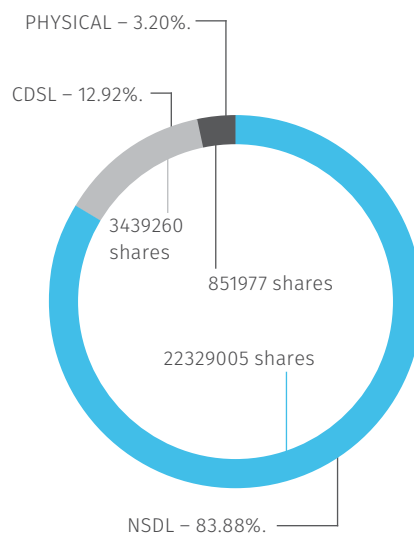
Amount (₹)	Members		Shares	
	Number	%	Amount (₹)	%
Upto - 5000	38400	93.63	35409780	13.3
5001 - 10000	1413	3.45	10046120	3.77
10001 - 20000	601	1.47	8489520	3.19
20001 - 30000	190	0.46	4740550	1.78
30001 - 40000	99	0.24	3536510	1.33
40001 - 50000	66	0.16	2999340	1.13
50001 - 100000	113	0.28	8185750	3.08
100001 and above	130	0.32	192794850	72.42
Total	41012	100.00	266202420	100.00

17. Shareholding Pattern as on March 31, 2017



18. Dematerialisation of shares and liquidity

The equity shares of the Company are in the list of scripts specified by SEBI to be compulsorily traded in the electronic form. About 96.80% of paid up capital is held in dematerialised form and the remaining 3.20% 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.



19. Address for correspondence

Shareholder's correspondence may please be addressed to the Registrar & Share Transfer Agents at the above mentioned address. They may also contact Board Secretariat Dept., Can Fin Homes Ltd., Registered Office, 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bangalore - 560004 (Tel: 080 26564259; Fax: 080 2656 5746)

E-mail: investor.relationship@canfinhomes.com

20. Means of communication to the Shareholders

The Company has about 41,012 shareholders all over India as on March 31, 2017 as against 27,714 as on March 31, 2016.

The means of communication to the shareholders includes;

- Quarterly Results - The Company immediately after conclusion of the meetings of the Board of Directors, within the prescribed time, uploads the quarterly/Annual financial results on the website "NEAPS" of National Stock Exchange of India Limited and "Listing Centre" of BSE Limited and simultaneously uploads

the same on the Company's website <http://www.canfinhomes.com/>

The Company also publishes the abridged version of audited/ unaudited financial results on a quarterly/Annual basis, in the prescribed format, in leading newspapers in English and in the Regional Language viz., Kannada, within the prescribed period.

- (b) Newspapers where in results normally published -The Company normally publishes the abridged version of audited/ unaudited financial results in leading newspapers in English viz., Business Line and/or Business Standard and/or Financial Express and in the Regional Language i.e., Kannada in the newspapers viz., Kannada Prabha and/or Samyuktha Karnataka.
- (c) Any website, where displayed- The Company displays all the reports/ statements/ notices and such other documents as required/ applicable under the statutory and regulatory requirements on the official website of the Company <http://www.canfinhomes.com/> and the Company also uploads all such documents online on <http://www.connect2nse.com/listing/> and on <http://www.listing.bseindia.com/> for dissemination by National Stock Exchange of India Limited and BSE Limited.
- (d) Official News releases - Dissemination of information through television/press: The Managing Director provides brief information on quarterly/annual results, corporate actions like rights issue etc. on T.V. channels and in print media, within the permissible disclosure norms. The intimations of such press

releases/television interviews are informed to the stock exchange in terms of regulation 30 of the SEBI regulations and similar information is made available on the Company's website.

- (e) Presentations made to Institutional Investors or to the Analysts- The Managing Director interacts with the analysts/investors and provides clarifications on the issues covered in the presentation, which is made available on the Company's official website within the permissible disclosure norms. The Managing Director and the Chief Financial Officer participate in the Conference calls arranged by reputed Institutional Investors.

`Investors' page on the website of the Company - The `Investor Page' (<http://www.canfinhomes.com/canfinhomes.php?page=investors>) provides quarterly results and presentation made by the Company covering pictorial representation of the statistical data compared for the last 10 quarter and annual performance compared for 8 financial years. The page also discloses the un-audited results on a quarterly basis together with the limited review reports and the audited annual financial results, annual reports, the shareholding pattern, unclaimed/unpaid dividend/deposits, Fair Practice Code, KYC guidelines, nomination by members, ECS mandate, dematerialisation of shares, SEBI circulars insisting for payments to members through electronic mode etc., complete details about the Registrar and Transfer agents, details of the Compliance Officer etc. with select download facilities, for the information and utility of the shareholders of the Company.

The intimations relating to Institutional Investors or Analysts meet are informed to the stock exchange in terms of regulation 30 of the SEBI regulations and similar information is made available on the Company's website within the prescribed time as and when applicable.

- (f) Annual Report – The Annual Report encompasses the operational and financial highlights for last 5 years, profit, business position of over 5 years horizon, Report of Directors, Report of the Directors on Corporate Governance, Management Discussion and Analysis report and audited Financial Statements together with the Auditors Report.

The annual report also contains a section on `General Information to Shareholders' which inter-alia provides information relating to the date, time and venue of the annual general meeting, shareholding pattern, distribution of shareholding, voting rights and the monthly high and low market price of equity shares during the year and other information as required under the listing agreement(s) and other related matters.

- (g) Stock Exchanges – The Company uploads/discloses all material information about the Company, including shareholding pattern, report on corporate governance, reconciliation of share capital audit, status of investor's complaints, certificates from RTA, Debentures Trustees and intimations/disclosure of material events etc. periodically to the National Stock Exchange of India Ltd. and BSE Limited.
- (h) Investor grievance redressal mechanism: The Company has

provided a separate e-mail ID for shareholders services viz., investor.relationship@canfinhomes.com and the Investor grievance redressal mechanism is in place.

- (i) Meetings: The principal forum for interaction/discussion with shareholders, be it individuals, corporates or foreign investors is the annual general meeting of the Company.
- (j) Other information: The details relating to the director(s) proposed to be appointed at the ensuing annual general meeting are provided as an annexure to the notice convening the said meeting.

In recognition of the initiative taken by the Ministry of Corporate Affairs (MCA), Government of India and as a contribution towards a greener environment the Company has

been sending all documents like General Meeting Notices (including AGM), Audited Financial Statements, Report of Directors, Auditors Report, etc. to a significant number of shareholders to their registered e-mail address made available to the Company by the Depositories or by the members themselves, who are holding shares in physical form. The above documents would also be available on the website of the Company www.canfinhomes.com for download by the shareholders.

The Annual Report of the Company for the financial year 2016-17 will be e-mailed to the members as stated above. If any member wishes to get a hard copy of the Annual Report, the Company will send the same, free of cost, upon receipt of request from the member. The annual reports to all other members, who

have not registered their email addresses, will be sent to their registered address.

21. Unclaimed dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, monies transferred to the Unpaid Dividend Account of the Company, which remain unclaimed and unpaid for a period of 7 years from the date on which it was first due for payment, were transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C(1) of the Companies Act, 1956. Under the similar provisions under Sections 124 and 125 of the Companies Act, 2013, any money transferred to the unpaid Dividend Account, which remains unpaid for a period of 7 years, shall be transferred to IEPF.

In terms of the said provisions, the due date for transfer of unclaimed dividend amount to IEPF is as under:

Dividend-relevant years	Dividend Per Share (Face value of ₹10) (₹)	Balance in unpaid dividend account as on March 31, 2017 (₹)	Unclaimed dividend as a % of total amount of dividend declared	Declared at the AGM held on	Due date for transfer to the Investor Education and Protection Fund (IEPF)*
2009-10	2.00	696546.00	1.70	25.08.2010	25.08.2017
2010-11	2.50	864715.00	1.68	24.08.2011	24.08.2018
2011-12	3.00	1060251.00	1.72	08.08.2012	08.08.2019
2012-13	4.00	1573784.00	1.92	07.08.2013	07.08.2020
2013-14	6.50	2327474.50	1.75	31.07.2014	31.07.2021
2014-15	7.00	2467248.00	1.32	08.07.2015	08.07.2022
2015-16	10.00	3427800.00	1.29	20.07.2016	20.07.2023

*Members of the Company can claim the unpaid dividend, if any, from the Company before the respective due dates of transfer to IEPF as mentioned above. As per Section 124(4) of the Companies Act, 2013 any person claiming to be entitled to any money transferred to IEPF may apply to the IEPF Authority for the payment of money claimed.

22. Transfer of shares to IEPF Demat account

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016 was notified by the Ministry of Corporate Affairs (MCA) on September 05, 2016 and as per Rule 6 of the said Rules, the shares relating to 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 Suspense Account (CFHL)'.

In terms of the above Rules, two reminders dated September 24, 2016 and December 02, 2016 were sent by the Company to the 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 December 25, 2016, if they do not place their claim for unclaimed dividend amounts before the Company. In the meantime, the action was stayed due to a General Circular No.15/2016 dated December 07, 2016 issued by the MCA informing that the revised notifications will be issued.

Further, the MCA issued a revised notification dated February 28, 2017 extending the period for transfer of unclaimed shares to IEPF Demat Account upto May 31, 2017. The Company has sent a third reminder dated April 13, 2017 in this regard to 389 shareholders who have not claimed their dividend amounts for a consecutive period of 7 years, informing the said due date for transfer of shares to IEPF Demat account. Your Company has provided the IEPF Rules, the paper notifications issued and a list of the shareholders, whose shares will be transferred to IEPF in the Investor Page of the website of the Company.

23. Issue of duplicate dividend warrants

A duplicate dividend warrant can be issued after the expiry of the validity period of the original warrant after complying with the simple prescribed procedural formalities. Shareholders who have lost their warrants/where the warrants are stale (older than 3 months) may write to RTA for revalidation.

24. Bank account particulars

SEBI has issued a Circular CIR/MRD/DP/10/2013 dated March 21, 2013 [in the light of developments in the field of electronic payment system by various modes viz., National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) etc.,] whereby it has been made mandatory for the Companies to maintain requisite bank details of their investors.

In terms of the said circular, the Company has been making remittances, if any, to members through bank account details as sought from NSDL/CDSL (demat accounts) and to the account particulars furnished to the Company/RTA by the physical holders. Only in cases where either bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. are not available or electronic payment instructions have failed or have been rejected by the bank, the Company has sent letters to shareholders requesting for modification of Bank account particulars with our RTA/Depository Participant Accounts. Where the details are not provided, then dividend payments are made to the investors using physical instruments.

25. 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.

26. Folio Consolidation

Shareholders holding shares under more than one folio may write to the Company or its RTA to consolidate their folios. In case of joint holdings, even if the order of names is different, shareholders can have them transposed without payment of stamp duty by sending a letter duly signed by all the shareholders. This will facilitate safekeeping and save cost at the time of dematerialisation. The above would be subject to verification of the signature(s) of the concerned shareholders.

27. Shareholding pattern of the Company as of March 31, 2017

Sl. No	Particulars Category of Shareholder	No. of Shareholder	Total number of shares	Total shareholding as % of total No. of equity share holdings (%)	No. of equity shares in de-mat form	Total demat shareholding as % of total No. of equity share holdings (%)
1	Promoter and Promoter Group	2	8138582	30.57	8138582	30.57
2	Mutual Funds/UTI	8	203503	0.76	203303	0.76
3	Financial Institutions/Banks	3	15437	0.06	15437	0.06
4	Foreign Institutional Investors	11	114392	0.43	114392	0.43
5	Bodies Corporate	904	4450097	16.72	4440097	16.72
6	Individuals	38229	8143596	30.59	7309896	27.46
7	Trust	6	3952	0.01	3952	0.01
8	Director & their relatives	0	0	0	0	0
9	Non Resident Indians	1172	1213499	4.56	1211799	4.55
10	Clearing members	97	571823	2.15	571823	2.15
11	Hindu Undivided Families	554	172677	0.65	172677	0.65
12	Employee shareholders	20	5757	0.02	1880	0
13	Limited Liability Partnership/ Qualified Foreign Investor	0	0	0	00	0
14	Foreign Financial Institution	3	2500	0.01	0	0.00
15	Foreign Corporate Bodies	2	3584154	13.46	3584154	13.46
16	Foreign Nationals	1	273	0.00	273	0.00
	Grand Total	41012	26620242	100	25768265	96.82

27. Compliance Officer:

Smt. Veena G Kamath

Company Secretary

Can Fin Homes Ltd.,

Registered Office: No.29/1, I Floor

Sir M N Krishna Rao Road, Basavanagudi, Bengaluru 560004.

Phone: 080-26564259/ 41261144; Fax: 080-26565746

e-mail: investor.relationship@canfinhomes.com

compsec@canfinhomes.com

Business Responsibility Report

Business Responsibility Report is a disclosure mandated by the Securities and Exchange Board of India (SEBI) for the top 500 listed companies.

Section A- General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L85110KA1987PLC008699
2. Name of the Company	CAN FIN HOMES LIMITED
3. Registered Address	No.29/1, 1st Floor, Sir. M N Krishna Rao Road, Basavanagudi, Bengaluru 560004 Tel: 080 26564259/ 26565736 FAX: 080 26565746
4. Website	www.canfinhomes.com
5. Email id	compsec@canfinhomes.com investor.relationship@canfinhomes.com
6. Financial Year reported	2016-17
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	
Industrial Group	
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	Housing Finance- 64192
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	(i) Housing loan to individuals (ii) Housing loan to Builders/developers and (iii) Loan against Property.
9. Total number of locations where business activity is undertaken by the Company	
a. Number of International Locations (Provide details of major 5)	NA (No overseas presence as of date).
b. Number of National Locations	As on date CFHL is spread across Country with 134 branches and 36 Satellite offices in over 19 States/Union Territories.
10. Markets served by the Company - Local / State / National / International	India

Section B - Financial Details of the Company

1. Paid up capital	2,662.25 (₹ in Lakh)
2. Total turnover	1,35,206.70 (₹ in Lakh) (FY2016-17)
3. Total profit after taxes	23,525.88 (₹ in Lakh) (FY2016-17)
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.85%
5. List of activities in which expenditure in four above has been incurred:	Providing education materials, renovation, construction of new building, upgradation/ repair of infrastructural facilities/shelters at government schools or schools situated in rural/backward areas and providing equipment to braille transcription centre, providing computers, furniture etc. to schools.

Section C - Other Details

- Does the Company have any Subsidiary Company/Companies?**
CFHL does not have any subsidiary.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**
Not applicable.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]**
Not applicable.

Section D - Business Responsibility Information

- Details of Director / Directors responsible for BR:**
 - Details of the Director / Directors responsible for implementation of the BR policy / policies: The Board of the Company is collectively responsible for the implementation of the BR policies of the Company.

- Details of the BR head:

No.	Particulars	Details
1	DIN (if applicable)	07491088
2	Name	Shri S K Hota
3	Designation	Managing Director and CEO
4	Telephone No.	080-26568687
5	e-mail id	hotask@canfinhomes.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

Principle 3

Businesses should promote the well being of all employees:

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised:

Principle 5

Businesses should respect and promote human rights:

Principle 6

Businesses should respect, protect and make efforts to restore the environment:

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner :

Principle 8

Businesses should support inclusive growth and equitable development:

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner:

(a) Details of Compliance (Reply in Yes 'Y' or No 'N')

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3.	Does the policy conform to any national / international standards? If Yes, specify? (50 words)	All the policies have been developed as a result of detailed consultation, experience and research on the best practices adopted in the Industry.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	N	Y	Y
5.	Does the Company have a specified Committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.canfinhomes.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	All the policies of the Company are reviewed/ evaluated internally.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles					Not Applicable				
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)							*		

*Please refer the explanation given for Principle 7 above.

3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
3-6 months.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes the BR Report in the Annual Report, on the website of the Company (www.canfinhomes.com) and files the same online on NSE & BSE websites.

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

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?

Not applicable.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

313 complaints were received during the financial year 2016-17, from various stakeholders (housing loan applicants, borrowers, depositors and debenture holders). 312 complaints, working out to 99.68 percent were satisfactorily resolved.

During the year, the Company had received 6 complaints from investors and all the complaints have been resolved satisfactorily.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company believes that a business done with moral values and principles will only sustain and has integrated its business values and operations to meet the expectations of its customers,

employees, investors, stakeholders and community at large. The Company provides and maintains a clean, healthy and safe working environment for employees, customers and stakeholders. The Company strives to enhance its standards of service delivery. The biggest social responsibility of helping people to have homes of their own is the main objective of the Company. To facilitate the same, the Company has been providing loans to home buyers at competitive rates of interest through its various schemes.

1. List upto 3 products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

- a. 10 Affordable Home Loan Centres (AHLCS) have been opened to cater to affordable housing loans under Credit Linked Subsidy Scheme (PMAY), Rural Housing under Gruhalakshmi Rural Housing Scheme (GRHS) and under Loans for Urban Housing (LUH) with lower rates of interest. Loans at concessional rate of interest to beneficiaries belonging to Economically Weaker Section (EWS), LIG & MIG, Women, Schedule Castes / Schedule Tribes / Other Backward Classes, Minorities, Persons with disabilities and Transgender.

- b. To bring about the empowerment of women, the Company offers housing loans to women applicants who are the sole owner of the property or the first owner in a jointly owned property at concessional rates of interest.

- c. Schemes offering one- time concession of 0.15% in ROI for

Section E - Principle-wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company?

Yes. The Company believes in ethical and transparent practices. It is committed to maintain the highest standards of ethics in all spheres of its business activities. The Board of Directors and senior management have a responsibility to set exemplary standards of ethical behaviour. The Management constantly endeavours to inculcate this ethical behaviour at all levels in the organization so that it becomes an integral part of the work culture among all its employees.

The Company believes that transparency means being open in its relationship with its customers and all its stakeholders as well as in the conduct of its business. The

initial one year, for individual housing loans granted to women beneficiaries (for loans upto ₹25 lac in metro / urban areas), Naval / Airforce / Defence Personnel (both in service and after retirement) and physically challenged persons.

2. For each product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

Since the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, while considering financing housing project these factors are given due importance.

It may be mentioned here that the Company minimises the consumption of electrical energy and natural resources and under its green initiative, has installed solar power in 16 branches and has been ensuring usage of paper to the minimum.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has, to the best possible extent, tried to improve the capacity and capability of local and small vendors by patronizing them to supply / provide different services required by the Company for its day to day administration / operation.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5 percent, 5-10 percent, >10 percent). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. The Company minimises the consumption of electrical energy and natural resources and shall strive to prevent pollution of air, water and land.

Principle 3 - Businesses should promote the well being of all employees

1. Please indicate the total number of employees:
Total number of employees as on March 31, 2017 was 626.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis:

155 are hired on a contractual basis.

3. Please indicate the number of permanent women employees:

82 are permanent women employees in the company as on March 31, 2017, which constitute 17.40 percent of the total permanent employee strength of the Company.

4. Please indicate the number of permanent employees with disabilities:

NIL.

5. Do you have an employee association that is recognised by management?

There is no employees' association. However mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	CFHL does not hire child labour, forced labour or involuntary labour- No cases reported.	Not applicable
2	Sexual harassment	None	Not applicable
3	Discriminatory employment	None	Not applicable

8. What safety and skill up-gradation training was provided in the last year?

- ▶ Permanent employees
- ▶ Permanent Women employees
- ▶ Casual/ Temporary/ Contractual employees
- ▶ Employees with disabilities

Internal and external training for upgrading and enhancing the skills and knowledge level was given to different categories of employees.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised

1. Has the company mapped its internal and external stakeholders?

The Company's key stakeholders include promoters, employees, customers, business associates, recovery agents, investors, agents, suppliers and regulatory agencies. Our Investors comprise of shareholders (including Institutional Investors, corporate bodies, foreign institutional investors, foreign bodies etc.).

The Company and its employees strive to provide value-based services to the stakeholders. The Company is in constant touch with its various stakeholders to understand their concerns and assess their requirements and respond to their needs in an effective manner.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company through its schemes for Affordable home loans helps customers with incomes in the

lower brackets / lower strata of society and also through its CSR activities has visited Government schools in and around its various Branch locations and has helped improve infrastructure in 123 schools during the year. The company has also contributed ₹1 Crore to Prime Minister's National Relief Fund.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Formal and informal consultations / meetings are held with the different stakeholders at different management levels to obtain their ideas, views and opinions for better handling of their interests.

If the customers have any grievances, they can make a complaint in writing or email addressed to the concerned Branch Manager. In case the grievance is not resolved within 15 days, it can be escalated to the Complaint Redressal Officer in the Corporate Office.

The Company has also introduced a system of getting customer feedback online through a web based system. As per the system, customer logs into the Customer Portal through Company's website and record his/her feedback. The branches will go through such feedback and resolve the complaints/take necessary action for Resolution of the issues raised by the customer.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the

company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company abides by the principle of respect and support for human rights and adheres to the spirit of fundamental rights in its policies and systems. The Company ensures that all individuals impacted by its business shall have access to grievance redressal mechanisms. The Company conducts business in a manner that respects the rights and dignity of all people, complying with all legal requirements.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year 6 complaints were received from investors and all the complaints have been resolved, ensuring 100% resolution of complaints as on March 31, 2017.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

The Company is committed to respect, protect and make efforts towards renewable resources to avoid depletion of natural resources. The Company has installed solar energy powered lighting and computer operation in 16 branches. The Company shall comply with legal / regulatory requirements related to environment protection, management and sustainable development.

2. Does company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.?

Not applicable since the company is engaged in providing finance for construction / purchase of house / flat.

The Company has replaced models of computers, printers and other equipment which were consuming more energy. The Company has installed solar energy powered lighting and computer operation in 16 branches. Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs.

3. Does the company identify and assess potential environmental risks?

Yes. The Company being in the business of granting housing loans ensures housing projects which are environmentally safe and secure, by taking opinion from the experts, i.e., from panel valuers.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not applicable.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has replaced models of computers, printers and other equipment which were consuming more energy. The Company has installed solar energy powered

lighting and computer operation in 16 branches. Air conditioning equipment is cleaned and serviced on routine basis thereby saving energy and costs.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL.

Principle 7 - Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your company a member of any trade and chamber or association?

The Company presently is not a member of any trade and chamber or association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Not Applicable.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company with its objective of promoting home ownership and increase housing stock across the Country functions on the principles of inclusive growth and equitable

development. By opening 170 offices throughout the Country, which includes 10 Affordable Home Loan Centres to exclusively cater to affordable loans under rural housing, urban housing, PMAY (CLSS) schemes – EWS/LIG/MIG, the Company is trying in its own way to contribute to the overall development of the country.

Further the Company as part of its CSR initiative, with an intention to benefit the poor and marginalised people in the society has helped improve infrastructure in 123 Government schools in during the year. The company has also contributed ₹1 Crore (Rupees one Crore) to Prime Minister's National Relief Fund.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?

The Company as a part of its Corporate Social Responsibility (CSR) initiative has identified and funded 123 schools for infrastructure and basic amenities that were lacking, through its in-house teams.

3. Have you done any impact assessment of your initiative?

All CSR activities of CFHL are conducted with the direct involvement of Company officials and the impact of the initiative are measured by follow-up visits.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Nil.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Not applicable.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Percentage of customer complaints pending as on March 31, 2017 – 0.32 percent.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

CFHL is a housing finance company and hence not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising, and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no such instance.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out any formal consumer survey/ consumer satisfaction trends. However, the Company collects customer feedback on-line through customer portal hosted on the website of the Company.

Place: Bengaluru
Date : May 15, 2017

Sd/-
S K Hota
Managing Director

Sd/-
K N Prithviraj
Chairman

CEO CFO Certification



Registered Office

No. 29/1, 1st Floor, M N Krishna Rao Road
Near Lalbagh West Gate, Basavanagudi, Bengaluru 560004
E-mail : compsec@canfinhomes.com • Tel :080 26565736,080 26564259
Fax:080 26565746 • Web: www.canfinhomes.com
CIN: L85110KA1987PLC008699

Sub: CEO/CFO certification for the year ending March 31, 2017 – Regulation 17(8) of SEBI (Listing obligations & Disclosure Requirements) Regulations 2015

With reference to the certification as per Regulation 17(8) Part B of the SEBI (Listing obligations & Disclosure Requirements) Regulations 2015, we certify that:

- a) We have reviewed financial statements and the Cash Flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee
 - i. Significant changes in Internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Bengaluru
Date : April 25, 2017

Sd/-
Atanu Bagchi
Deputy General Manager & CFO

Sd/-
S K Hota
Managing Director & CEO



Independent Auditor's Report

TO THE MEMBERS OF CANFIN HOMES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Can Fin Homes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information [in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's 116 branches]

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

- 3) In our opinion and to the best of our information and according to the explanations given to us, the financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017
 - (ii) in case of the Statement of Profit and Loss, of the profit for the year ended on that date and
 - (iii) in case of cash flow statement, the Cash Flows of the Company for the year ended on that date

Other Matter

- 4) We did not audit the financial statements of 116 branches included in the financial statements of the Company whose financial statements reflect total assets of ₹7843.59 crore as at March 31, 2017 and total revenues of ₹772.45 crore for the year ended on that date, as considered in the financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements.

- 5) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 6) 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".
- 7) As required by Section 143 (3) of the Act, we report that:
- 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.
 - 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.
 - The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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:
- The Company has disclosed the impact of pending litigations on its financial position in the financial statements – Refer Note 17 to the financial statements
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company have been transferred by the Company.
 - The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management – Refer Note 36 to the financial statements.

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

K Viswanath
Partner
Membership No. 022812

Place : Bengaluru
Date : April 25, 2017

Annexure A to Independent Auditors' Report

[REFERRED TO IN PARAGRAPH (5) OF OUR REPORT OF EVEN DATE]

- | | |
|---|---|
| <p>(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>(b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year and no material discrepancies were found on such verification.</p> <p>(c) According to the information and explanations given to us, the title deeds of immovable property are held in the name of the Company.</p> <p>(ii) The Company is a service Company, primarily rendering housing finance services. Accordingly, it does not hold any inventory of goods. Thus, Para 3(ii) of the Companies (Auditors Report), Order 2016 is not applicable to the Company.</p> <p>(iii) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Para 3(iii) of the Companies (Auditors Report), Order 2016 are not applicable to the Company.</p> | <p>(iv) According to the information and explanations given to us, the Company does not have any loans, investments, guarantees, and security which are subject to provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of Para 3(iv) of the Companies (Auditors Report), Order 2016 are not applicable to the Company.</p> <p>(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under to the extent applicable and the Housing Finance Companies (NHB) Directions, 2010 with regard to the deposits accepted from public.</p> <p>(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any of the services rendered by the Company.</p> <p>(vii) (a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been regular in depositing undisputed statutory dues including Income Tax, Cess and other statutory dues with the appropriate authorities during the year.</p> |
|---|---|

- (b) According to the information and explanations given to us and as per our verification of the records of the Company, the following disputed amounts of tax/duty that have not been deposited with appropriate authorities as at March 31, 2017 are given below :

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

- | | |
|---|---|
| <p>(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.</p> <p>(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.</p> <p>(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.</p> <p>(xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) According to the information and explanations given to us, the Company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), Order 2016 is not applicable to the Company.</p> <p>(xiii) According to the information and explanations given to us and based on the examination of records, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where</p> | <p>applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore the provisions of Para 3(xiv) of the Companies (Auditors Report), Order 2016 is not applicable to the Company.</p> <p>(xv) According to the information and explanations given to us and based on the examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with him, therefore the provisions of Para 4(xiv) of the Companies (Auditors Report), Order 2016 is not applicable to the Company.</p> <p>(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.</p> |
|---|---|

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

K Viswanath
Partner
Membership No. 022812

Place : Bengaluru
Date : April 25, 2017

Annexure B to Independent Auditors' Report

[REFERRED TO IN PARAGRAPH (6) OF OUR REPORT OF EVEN DATE]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

1. We have audited the internal financial controls over financial reporting of the Company as at March 31, 2017 in conjunction with our audit of the Balance Sheet as at March 31, 2017, the statement of profit and loss and cash flow statement annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required by the Companies Act, 2013 ('the Act').

Auditor's Responsibility

3. 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 and the Standards on Auditing ('the Standards'), issued by the 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 issued by the ICAI. 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.

4. 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.
5. 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

6. 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. This includes those policies and procedures that :
 - i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
 - iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal

financial controls over financial reporting were operating effectively as at March 31, 2017, 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 of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Bengaluru
Date : April 25, 2017

K Viswanath
Partner
Membership No. 022812

Balance Sheet

As at March 31, 2017

				(₹ in Lakh)
Particulars	Note	As at		As at
		March 31, 2017		March 31, 2016
I EQUITY AND LIABILITIES				
(1) Shareholders Funds				
(a) Share Capital	02	2,662.25		2,662.25
(b) Reserves and Surplus	03	1,04,967.64		85,141.76
		1,07,629.89		87,804.02
(2) Share Application Money pending Allotment	04	47.62		47.62
(3) Non-Current Liabilities				
(a) Long Term Borrowings	05	8,02,824.86		6,96,544.72
(b) Deferred Tax Liabilities (Net)	12	11,364.63		5,686.98
(c) Long Term Provisions	06	8,158.70		6,966.38
		8,22,348.19		7,09,198.08
(4) Current Liabilities				
(a) Short Term Borrowings	07	3,20,526.83		1,62,590.75
(b) Other Current Liabilities	08	82,602.77		1,03,988.44
(c) Short Term Provisions	09	12,607.94		11,967.00
		4,15,737.54		2,78,546.19
Total		13,45,763.24		10,75,595.91
II ASSETS				
(1) Non - Current Assets				
(a) Fixed Assets				
(i) Tangible Assets	10	1,016.97		888.75
(b) Non-Current Investments	11	1,593.50		1,493.50
(c) Deferred Tax Assets (Net)	12	0.00		0.00
(d) Long Term Loans and Advances	13	13,27,953.38		10,61,670.09
		13,30,563.85		10,64,052.34
(2) Current Assets				
(a) Cash and Cash Equivalents	14	1,995.29		1,735.22
(b) Short Term Loans and Advances	15	13,182.52		9,790.70
(c) Other Current Assets	16	21.58		17.66
		15,199.39		11,543.57
Total		13,45,763.24		10,75,595.91
Significant accounting policies	01			

See accompanying notes forming part of the financial statements.

For **K P Rao & Co,**
Chartered Accountants
FR NO-003135S**K N Prithviraj**
Chairman**S K Hota**
Managing Director**G Naganathan**
Director**K Viswanath**
Partner
Membership No: 022812**S A Kadur**
Director**T V Rao**
Director**P V Bharathi**
DirectorPlace: Bengaluru
Date : April 25, 2017**Atanu Bagchi**
Chief Financial Officer**Veena G Kamath**
Company Secretary

Statement of Profit and Loss For the year ended March 31, 2017

		(₹ in Lakh)	
Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016
INCOME			
Revenue from Operations	18	1,35,206.70	1,08,293.27
Other Income	19	105.52	61.03
Total Revenue		1,35,312.22	1,08,354.30
EXPENSES			
Employee benefit Expenses	20	3,935.95	3,305.67
Finance Costs	21	88,402.74	74,348.03
Depreciation and Amortization Expenses	22	373.22	346.45
Other Expenses	23	3,762.25	3,027.55
Total expenses		96,474.16	81,027.70
Profit Before Tax , Provision and Exceptional Items		38,838.06	27,326.61
Provisions			
Provision for Standard Assets	13.4	1,065.00	1,400.00
Provision for Doubtful Debts (Written back)	24	815.38	540.53
Profit Before Tax and Exceptional Items		36,957.68	25,386.07
Exceptional Items			
Prior Period Adjustments	25	(58.85)	0.00
Profit Before Tax		37,016.53	25,386.07
Tax expenses:			
(a) Current Year		11,513.00	8,000.00
(b) Deferred Tax		1,977.65	1,675.56
Profit for the period		23,525.88	15,710.51
Earnings per Equity Share (face value ₹10/-)			
(1) Basic (in ₹)		88.38	59.02
(2) Diluted (in ₹)		88.38	59.02

See accompanying notes forming part of the financial statements.

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

K N Prithviraj
Chairman

S K Hota
Managing Director

G Naganathan
Director

K Viswanath
Partner
Membership No: 022812

S A Kadur
Director

T V Rao
Director

P V Bharathi
Director

Place: Bengaluru
Date : April 25, 2017

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

Cash Flow Statement

For the year ended March 31, 2017

Particulars	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	38,838.06	27,326.61
ADJUSTMENTS FOR :		
Depreciation	373.22	346.45
(Profit)/Loss on sale of Assets	3.37	(25.39)
Interest Received on SLR deposits	(215.47)	(164.85)
Bad debts written off	85.31	329.37
Provision for retirement benefits	459.21	407.50
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	39,543.70	28,219.68
ADJUSTMENTS FOR :		
Current Assets	(9,868.73)	(4,433.70)
Current Liabilities	10,346.39	22,180.60
	477.67	17,746.90
CASH GENERATED FROM OPERATIONS	40,021.36	45,966.58
Direct taxes paid	(8,147.86)	(7,771.81)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	31,873.51	38,194.77
NET CASH FROM OPERATING ACTIVITIES 'A'	31,873.51	38,194.77
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(450.04)	(317.67)
Sale of Fixed Assets	3.99	35.58
Purchase of Investments	(349.00)	(945.00)
Sale of Investments	0.00	0.00
Interest Received	193.90	147.19
NET CASH USED IN INVESTING ACTIVITIES 'B'	(601.15)	(1,079.90)

Cash Flow Statement

For the year ended March 31, 2017

(₹ in Lakh)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	0.00	0.00
Long Term Borrowings(Net of Repayments)	2,38,935.22	2,06,452.44
Loans (Net of Repayments) *	(2,66,991.37)	(2,41,391.32)
Dividends paid	(3,205.23)	(2,185.99)
NET CASH USED IN FINANCING ACTIVITIES 'C'	(31,261.28)	(37,124.86)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS 'A+B+C'	11.09	(9.99)
Opening Balance of Cash and Cash Equivalents 'D'	330.22	340.21
Closing Balance of Cash and Cash Equivalents 'E'	341.29	330.22
Net (Decrease)/Increase in Cash and Cash Equivalents 'E-D'	11.07	(9.99)
* Including Securitised Assets		

K N Prithviraj

Chairman

S K Hota

Managing Director

G Naganathan

Director

S A Kadur

Director

T V Rao

Director

P V Bharathi

Director

Atanu Bagchi

Chief Financial Officer

Veena G Kamath

Company Secretary

We have examined the above Cash Flow Statement of CAN FIN HOMES LTD., BENGALURU for the period ended March 31st, 2017. The Statement has been prepared by the Company in accordance with the requirement of the listing agreements with the respective stock exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company.

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

Chartered Accountants

FR No: 003135S

K Viswanath

Partner

Membership No: 022812

Place: Bengaluru

Date : April 25, 2017.

Notes forming part of the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

i. METHOD OF ACCOUNTING

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

ii. REVENUE RECOGNITION

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

iii. ACCOUNTING OF HOUSING LOANS

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

iv. INTEREST ON LOANS

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

v. INVESTMENTS

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

vi. FIXED ASSETS

Fixed Assets are capitalised at cost inclusive of legal and/or installation expenses.

vii. DEPRECIATION

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

viii. EMPLOYEE BENEFITS

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

ix. TAXATION

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

x. ACCOUNTING OF BORROWING EXPENSES

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

Notes forming part of the Financial Statements

2. SHARE CAPITAL

Particulars			(₹ in Lakh)
	As at March 31, 2017		As at March 31, 2016
AUTHORISED			
7,00,00,000 Equity Shares of ₹10 each		7,000.00	7,000.00
ISSUED AND SUBSCRIBED			
2,66,45,575 Equity Shares of ₹10 each		2,664.56	2,664.56
PAID UP			
2,66,20,242 Equity shares of ₹10 each	2,662.02		
Add : Forfeited Shares	0.23	2,662.25	2,662.25
		2,662.25	2,662.25

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No	₹ in Lakh	No	₹ in Lakh
Equity Shares outstanding as at the beginning of the year	2,66,20,242	2,662.25	2,66,20,242	2,662.25
Add: Equity shares issued during the year (Refer Note no. 2.1)	-	-	-	-
Equity Shares outstanding as at the end of the Year	2,66,20,242	2,662.25	2,66,20,242	2,662.25

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

Particulars	As at March 31, 2017		As at March 31, 2016	
	No	% of shares held to total shares	No	% of shares held to total shares
Canara Bank	79,86,358	30.00	1,15,67,207	43.45
Chhattisgarh Investments Ltd	26,70,000	10.03	35,78,607	13.44
Caladium Investment Pte Ltd	35,80,849	13.45	-	-

2.1 During the financial year 2014-15 the Company had allotted 61,34,992 Equity Shares of the face value of ₹10/- each for cash at a price of ₹450/- each (inclusive of a premium of ₹440/- per share) on Rights basis on 09/03/15 and the allotment of 10,583 equity shares are kept in abeyance pending receipt of final order by the Hon'ble High Court of Kerala.

2.2 Terms and rights attached to Equity Shares: The Company has one class of Equity shares having a face value of ₹10/- 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.

3. RESERVES AND SURPLUS

Particulars			(₹ in Lakh)
	As at March 31, 2017		As at March 31, 2016
SPECIAL RESERVE (Refer Note 3.1)			
(in terms of Section 36(1)(viii) of Income Tax Act, 1961)			
Opening Balance	30,721.00		25,221.00
Add: Transferred from P & L account (Refer Note 3.2)	6,400.00		5,500.00
		37,121.00	30,721.00

Notes forming part of the Financial Statements

3. RESERVES AND SURPLUS (contd...)

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
GENERAL RESERVE		
Opening Balance	19,355.21	17,205.21
Less: Creation of DTL on Special Reserve (Refer Note 3.3)	3,700.00	1,850.00
Add: Transferred from P & L account	9,200.00	4,000.00
	24,855.21	19,355.21
ADDITIONAL RESERVE (u/s 29C of The NHB Act)		
Opening Balance	7,700.00	4,500.00
Add: Transferred from P & L account (Refer Note 3.2)	4,800.00	3,200.00
	12,500.00	7,700.00
SECURITY PREMIUM RESERVE		
Opening Balance	27,250.97	27,250.97
Add: Received during the year	0.00	0.00
	27,250.97	27,250.97
PROFIT AND LOSS ACCOUNT		
Opening Balance	114.58	309.30
Add: Surplus in the statement of Profit and Loss account	23,525.88	15,710.51
	23,640.46	16,019.81
Less: Appropriation for:		
Special Reserve	6,400.00	5,500.00
General Reserve	9,200.00	4,000.00
Additional Reserve (u/s 29C of the NHB Act)	4,800.00	3,200.00
Proposed Dividend (Refer Note 3.5 & 9.1)	0.00	2,663.08
Corporate Dividend Tax thereon	0.00	542.15
	3,240.46	114.58
	1,04,967.64	85,141.76

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

3.2 As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of its net profits every year to a reserve before any dividend is declared. For this purpose, any Special Reserve created by the Company under Section 36(1) (viii) of the Income Tax Act, 1961 is considered to be an eligible Transfer U/S 29C of the NHB Act, 1987 also. The Company has transferred a sum of ₹6,400 Lakh (previous year ₹5,500 Lakh) to Special Reserve which is in terms of Section 36(1)(viii) of the Income Tax Act, 1961 and ₹4,800 Lakh (previous year ₹3,200 Lakh) to Additional Reserve U/S 29C of the NHB Act, 1987 during the FY16-17.

3.3 Vide Circular NHB(ND)/DRS/Pol.62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961 as on 31/03/14 and permitted to adjust the same from Retained Earnings. Further, vide Circular NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014, NHB has permitted HFCs to adjust the Deferred Tax Liability in a phased manner, over a period of three years in the ratio of 25:25:50 starting from FY14-15. Accordingly the Company has to adjust the DTL of ₹7,399.96 Lakh in three years. In the current year the Company has transferred ₹3,700.00 Lakh (previous year ₹1,850 Lakh) from the General Reserve to DTL on the Special Reserve outstanding as on 31/03/14. The Company has

Notes forming part of the Financial Statements

transferred the third and final tranche of 50% being ₹3,700 Lakh in this year ending 31/03/17 from the General Reserves to DTL (₹3,700 Lakh transferred in the previous two years).

3.4 Further, Deferred Tax Liability (net) of ₹1,977.65 Lakh (previous year ₹1,675.56 Lakh) is charged off to the Statement of Profit & Loss, on account of various components of assets & liabilities including Special Reserve appropriated during the current year.

3.5 The Company has in the current year recommended a Dividend of ₹10/- on the Equity Shares of the face value of ₹10/- each. (refer note 9.1)

3.6 Presentation of Reserve Fund as per NHB's policy circular reference NHB(ND)/ DRS/ Pol.Circular.61/ 2013-14 dated April 7, 2014 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by National Housing bank.

Particulars	(₹ in Lakh)	
	Current Year	Previous Year
Reserves & Surplus		
Statutory Reserve		
(As per section 29C of the National Housing Bank Act, 1987)		
Opening Balance	7,700.00	4,500.00
Additions during the year	4,800.00	3,200.00
Appropriations during the year	0.00	0.00
Closing Balance	12,500.00	7,700.00

Particulars	(₹ in Lakh)	
	Current Year	Previous Year
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	7,700.00	4,500.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve u/s 29C of the NHB Act, 1987	30,721.00	25,221.00
Total	38,421.00	29,721.00
Addition/ Appropriation / Withdrawal during the year		
Add:		
a) Amount transferred u/s 29C of the NHB Act, 1987	4,800.00	3,200.00
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	6,400.00	5,500.00
Less:		
a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	0.00	0.00
b) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987.	0.00	0.00
Balance at the end of the year		
a) Statutory Reserve u/s 29c of the National Housing Bank Act, 1987	12,500.00	7,700.00
b) Amount of Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into Account for the purpose of Statutory Reserve u/s 29C of the NHB Act, 1987.	37,121.00	30,721.00
Total	49,621.00	38,421.00

3.7. During the year an amount of ₹281.87 Lakh earlier shown under the head Land & Building was bifurcated into Land (₹97.77 Lakh) and Building (₹187.10 Lakh). This has resulted in reversal of accumulated depreciation and thereby increase in profit by ₹58.85 Lakh during the year which is disclosed as Prior Period Adjustment in the statement of Profit & Loss.

Notes forming part of the Financial Statements

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
The application money in respect of 10,583 equity shares under the Rights Issue. (Refer Note 2.1)	47.62	47.62

5. LONG TERM BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
SECURED (Refer Note 5.1)		
National Housing Bank	2,98,680.84	3,06,714.87
Housing & Urban Development Corporation	0.00	28,000.00
Loans and Advances from Related parties*	99,902.31	1,36,648.34
Loans & Advances from HDFC Bank	42.11	63.16
Loans & Advances from Bank of Baroda	0.00	98.80
Loans & Advances from State Bank of India	43,746.56	33,750.00
Secured Redeemable Non Convertible Non-Cumulative Taxable Debentures (Refer Note 5.2)	3,40,200.00	1,74,000.00
	7,82,571.81	6,79,275.17
*Represents the advances availed from Canara Bank		
UNSECURED		
Unsecured Redeemable Non Convertible Debenture in the nature of Tier II Bonds (Refer Note 5.3)	10,000.00	10,000.00
Deposits (Refer Note 5.4)	10,253.05	7,269.55
	8,02,824.86	6,96,544.72

5.1 The borrowings from National Housing Bank, HUDCO, Canara Bank, HDFC Bank, Bank of Baroda, Federal Bank, and State Bank of India are secured by way of specific charge on book debts, outstanding, receivables, etc.,/ promissory notes and / or a negative lien on assets of the Company. The tenure of the Long term borrowings are more than one year and upto 15 years and that of short term borrowings is less than 1 year.

5.2 During the year the Company has issued Secured Redeemable Non-Convertible Non-Cumulative Taxable Debentures worth ₹1,86,200 Lakh (previous year ₹1,54,000 Lakh) through private placement totalling to ₹3,60,200 Lakh. These debentures are secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose. The debentures to the extent of ₹25,000 Lakh (raised in the year 2013-14) were secured by way of floating charge on the assets i.e., loan receivables specifically earmarked for the purpose and also by mortgage of an immovable property (an apartment located at Kodigehalli, Hebbal, Bengaluru) in favour of the Debenture Trustees. The said debenture of ₹25,000 Lakh have been redeemed on the due date during the current financial year.

The details of the Secured Redeemable Non Convertible Taxable Debentures as on 31/03/17 are as follows:

Rate of Interest	Date of Issue	Date of Redemption	Amount in Lakh
8.80%	06/02/15	06/02/18	20,000.00
8.69%	28/04/15	28/04/18	20,000.00
8.70%	28/05/15	28/05/18	10,000.00
8.80%	02/07/15	02/07/18	20,000.00

Notes forming part of the Financial Statements

The details of the Secured Redeemable Non Convertible Taxable Debentures as on 31/03/17 are as follows: (contd...)

Rate of Interest	Date of Issue	Date of Redemption	Amount in Lakh
8.71%	07/08/15	07/08/18	20,000.00
8.69%	10/09/15	10/09/20	10,000.00
8.44%	08/10/15	08/10/18	10,000.00
8.41%	30/10/15	30/01/19	15,000.00
8.45%	24/11/15	22/02/19	10,000.00
8.55%	22/12/15	22/03/19	10,000.00
8.60%	07/01/16	06/04/19	12,500.00
8.85%	17/02/16	17/05/19	16,500.00
8.37%	22/04/16	22/03/19	30,000.00
8.55%	27/05/16	27/08/19	10,000.00
7.85%	16/09/16	16/12/19	30,000.00
7.73%	24/10/16	24/01/20	44,000.00
7.77%	15/11/16	15/11/21	12,200.00
7.57%	12/01/17	12/04/20	40,000.00
7.68%	27/02/17	27/05/20	20,000.00
Total			3,60,200.00

5.3 Further, the Company has issued Unsecured Debentures in the nature of Tier II Bonds worth ₹100 crore 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, 2017, 100% of the book value of the subordinated debt is considered as Tier II Capital for the purpose of Capital Adequacy computation.

The details of the Unsecured Non Convertible Debentures in the nature Tier II Bonds as on 31/03/17 are as follows:

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

5.4 As per the Directions of the National Housing Bank, the Company has created floating charge on Statutory Liquid Assets (Investments in Govt. Securities and Deposits in Commercial Banks) in favour of the Trustees of the depositors in a manner prescribed by the National Housing Bank in terms of sub-sections (1) & (2) of section 29B of the NHB Act, 1987.

6. LONG TERM PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Employee Benefits (Refer Note 29)	1,020.26	892.94
Contingencies	600.00	600.00
Standard Asset Provisions (Refer Note 13.4)	6,265.00	5,200.00
Interest on Income Tax Refund	273.44	273.44
	8,158.70	6,966.38

Notes forming part of the Financial Statements

7. SHORT TERM BORROWINGS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
SECURED (Refer Note 5.1)		
Loans & Advances from Related parties (Refer Note 7.1)	39,276.38	34,942.22
Overdraft Account from Federal Bank	0.00	4,107.25
UNSECURED		
Overdraft Accounts from:		
Related parties	30,003.47	0.00
Oriental Bank of Commerce	0.00	6,045.57
State Bank of India	6,773.31	6,531.36
HDFC Bank Ltd	0.09	0.00
Commercial Paper (Refer Note 7.2)	2,32,061.76	96,136.54
Deposits from Public (Refer Note 5.4)	12,411.82	14,827.81
	3,20,526.83	1,62,590.75

7.1 The Overdraft account with related party includes ₹15,106.07 Lakh (previous year ₹8,980.76 Lakh) being the cheques issued towards disbursements to borrowers and towards expenses but not encashed as on 31/03/17.

7.2 Commercial Paper of the Company have a maturity value of ₹2,37,000.00 Lakh (previous year ₹1,00,000.00 Lakh)

Details of the Commercial Paper outstanding as on 31/03/17 are as follows:

SL No.	Value Date	Face value in Lakh	Period in days	Discount Rate
1	12/08/16	30,000.00	361	7.82%
2	12/08/16	10,000.00	361	7.71%
3	01/09/16	10,000.00	271	7.70%
4	25/11/16	7,000.00	364	6.68%
5	20/12/16	20,000.00	364	7.19%
6	04/01/17	30,000.00	176	7.18%
7	23/01/17	30,000.00	91	7.04%
8	23/01/17	20,000.00	182	7.14%
9	15/02/17	20,000.00	271	7.21%
10	22/02/17	30,000.00	90	6.89%
11	09/03/17	20,000.00	81	6.53%
12	23/03/17	10,000.00	89	6.45%
Total		2,37,000.00		

8. OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Current maturities of Long term debts (Refer Note 5.1)		
-National Housing Bank - Refinance	38,822.28	46,789.72
-Housing & Urban Development Corpn.	0.00	2,000.00
-Term Loans from Canara Bank	0.00	200.00
-Term Loans from HDFC Bank Ltd	21.05	21.05

Notes forming part of the Financial Statements

8. OTHER CURRENT LIABILITIES (Contd...)

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
-Term Loans from State Bank of India	5,000.00	1,250.00
-Secured Redeemable Non Convertible Debentures	20,000.00	35,000.00
	63,843.33	85,260.77
Other Liabilities (Refer Note 8.1 & 8.2)	955.73	890.90
Unclaimed Deposits (Refer Note 8.3)	2,009.45	1,705.79
Provision for Expenses (Refer Note 8.4)	15,360.63	15,790.07
Unclaimed Dividend	124.18	98.34
Advance Receipts for Charges	309.45	242.57
	82,602.77	1,03,988.44

8.1 Other liability includes :-

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
(i) Cheques pending presentation	116.00	69.69
(ii) Time barred cheques	110.46	136.71
(iii) Cheques pending realisation	259.27	165.82
(iv) Statutory Liabilities	133.68	169.39
(v) LS General	89.95	149.56
(vi) DSA Agent Commission	117.16	106.70
(vii) Others	129.21	93.03

8.2 Other Liabilities include ₹ Nil (Previous Year ₹ Nil) payable to “Suppliers” registered under The Micro, Small & Medium Enterprises Development Act 2006. No interest has been paid by the Company during the year to the “suppliers” covered under The Micro, Small & Medium Enterprises Development Act 2006. The above information takes into account only those suppliers who have responded to inquiries made by the Company for this purpose.

8.3 As required under Section 125 of the Companies Act, 2013, the Company has transferred ₹0.72 Lakh (Previous Year ₹3.62 Lakh) to Investor Education and Protection Fund (IEPF) during the year as of March 31, 2017, except to the extent of ₹63.44 Lakh (previous year ₹21.41 Lakh) in respect of claims that are disputed. As of March 31, 2017, no amount was due for transfer to the IEPF.

8.4 Provision for Expenses includes provision made for interest on NHB borrowings of ₹ NIL (previous year ₹7,025.46 Lakh) and interest on Debentures of ₹14,702.75 Lakh (previous year ₹8,544.83 Lakh).

9. SHORT TERM PROVISIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Income Tax	11,513.00	8,000.00
Dividend (refer Note 9.1)	0.00	2,663.08
Tax on Dividend	0.00	542.15
Dividend on Shares kept in abeyance	2.14	0.87
Employee Benefits (refer Note 29)	1,092.80	760.90
	12,607.94	11,967.00

Notes forming part of the Financial Statements

9.1 The Government of India, vide notification dated March 30, 2016 and Circular no. 4/2016 dated April 27, 2016 had amended The Companies (Accounting Standards) Rules, 2016 effective from March 30, 2016. According to the amended rules the proposed dividend will not be recorded as a liability as at March 31, 2017 (Refer para 8.5 of AS4 - Contingencies and Events occurring after the Balance Sheet date). Accordingly the proposed dividend (refer para 3.5) of ₹10/- each per share and tax thereon are not recognised as Liability in the annual accounts of the financial year ending 31/03/17. However, the same will be considered as Liability on approval of shareholders at ensuing Annual General Meeting.

10. FIXED ASSETS

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land	97.77	2.50	0.00	100.27	0.00	0.00	0.00	0.00	100.27	0.00
Buildings*	184.10	23.35	0.00	207.45	173.59	4.53	58.85	119.27	88.18	108.28
Furniture and Fixtures	740.17	150.28	10.46	879.98	386.20	121.27	6.85	500.62	379.36	353.97
Computers	508.04	87.75	5.98	589.81	404.57	119.25	5.85	517.97	71.85	103.47
Office Equipments	46.31	21.21	0.84	66.67	26.98	15.01	0.52	41.48	25.20	19.32
Electrical Equipments	471.12	135.20	14.72	591.59	235.93	86.77	11.85	310.85	280.74	235.18
Vehicles - Cars	72.58	7.18	4.76	74.99	43.70	11.32	4.40	50.62	24.37	28.88
Vehicles - Two wheelers	78.74	22.58	1.49	99.84	39.10	15.07	1.33	52.84	47.00	39.64
Total	2,101.06	447.54	38.26	2,510.34	1,310.08	373.22	89.66	1,593.65	1,016.97	888.75
Previous Year	1,948.88	317.67	67.72	2,198.83	1,021.13	346.45	57.50	1310.08	888.75	0.00

* Land jointly held with others

Note

1. Depreciation has been charged as per the Revised Schedule II of the Companies Act, 2013.

2. During the year an amount of ₹281.87 lakh earlier shown under the head Land & Building was bifurcated into Land (₹97.77 lakh) and Building (₹187.10 lakh). This has resulted in reversal of accumulated depreciation and thereby increase in profit by ₹58.85 lakh during the year which is disclosed as Prior Period Adjustment in the statement of Profit & Loss.

11. NON CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
(At Cost, Non Trade in Government or Trust Securities)		
06.05% Government of India Securities, 2019	500.00	500.00
06.01% Government of India Securities, 2028	500.00	500.00
05.64% Government of India Securities, 2019	493.50	493.50
09.19% Kerala SDL Bond, 2024	100.00	0.00
	1,593.50	1,493.50
Notes:		
Face value of investments.	1,600.00	1,500.00
Investments placed for SLR purpose and would be held to maturity, hence market value not furnished.		

Notes forming part of the Financial Statements

11.1 Presentation of Investments as per Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

Particulars	(₹ in Lakh)	
	Current Year	Previous Year
Value of Investments		
i) Gross Value of investments		
a) In India	3,247.50	2,898.50
b) Outside India	0.00	0.00
ii) Provisions for Depreciation		
a) In India	0.00	0.00
b) Outside India	0.00	0.00
iii) Net value of Investments		
a) In India	3,247.50	2,898.50
b) Outside India	0.00	0.00
Movement of provisions held towards depreciation on investments		
i) Opening Balance	0.00	0.00
ii) Add Provisions made during the year	0.00	0.00
iii) Less Write-off / Written-bank of excess provisions during the year	0.00	0.00
iv) Closing Balance	0.00	0.00

12. DEFERRED TAX ASSET / LIABILITY

In view of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, adjustment to the deferred tax liability (net) of ₹1,977.65 Lakh {Previous year ₹1,675.56 Lakh} has been made and is adjusted against provision for tax for the current year. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted as at the reporting date. The tax effects of significant timing (temporary) differences that resulted in deferred tax assets and liabilities and description of the financial statement items are as follows:

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Deferred Tax Assets:		
Provision for Doubtful debts	385.91	323.85
Provision for Employee Benefits	731.32	572.39
Depreciation on Assets	57.72	6.71
Sub-Total (A)	1,174.95	902.95
Deferred Tax liability:		
Depreciation on Assets	0.00	0.00
On Special Reserve created before 01/04/14 (Refer Note 3.3)	7,400.00	3,700.00
On Special Reserve created after 01/04/14	5,139.59	2,889.94
Sub-Total (B)	12,539.59	6,589.94
Deferred Tax Liability/(Asset) (B-A)	11,364.63	5,686.98

Notes forming part of the Financial Statements

13. LONG TERM LOANS AND ADVANCES (Refer Note 13.1)

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
(i) Secured, Considered Good.		
a) Housing Loans - Individuals/staff	11,76,338.45	9,34,714.52
b) Housing Loans -Corporate Bodies & Others	842.23	2,199.98
c) Non Housing Loans	1,52,919.61	1,26,113.64
	13,30,100.29	10,63,028.14
Less: Provision for Non-Performing Assets (Refer Note 13.2 & 13.3)	2,575.48	1,891.07
	13,27,524.81	10,61,137.07
d) Loans against deposits	60.42	61.56
(ii) Unsecured, Considered Good		
a) Staff loans	103.17	108.93
b) Security Deposits	264.98	362.53
	13,27,953.38	10,61,670.09

13.1 Loans and instalments due from borrowers are secured, partly secured or otherwise by:

- Equitable mortgage of property and/or
- Other securities, assignment of life insurance policies and/or
- Bank guarantees, Company guarantees or personal Guarantees and/or
- Negative lien and/or
- Undertaking to create a security.

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

Loans	As on 31.3.2017					As on 31.3.2016				
	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
Housing loans (including instalments due from borrowers)										
-Individuals	11,74,404.63	868.40	1,185.38	263.29	11,76,721.70	9,33,362.31	750.86	1,019.16	36.06	9,35,168.39
-Corporate bodies	1,495.71	141.93	0.00	0.00	1,637.64	2,964.05	0.00	0.00	0.00	2,964.05
-Other Loans	1,52,614.88	293.00	39.10	0.00	1,52,946.98	1,26,011.72	147.43	22.22	0.00	1,26,181.37
Total Loans	13,28,515.23	1,303.33	1,224.48	263.29	13,31,306.33	10,62,338.08	898.29	1,041.38	36.06	10,64,313.81
Provision-Housing loans	-	130.26	638.24	263.29	1,031.80	-	112.63	749.70	36.06	898.39
-Corporate bodies	-	21.29	0.00	0.00	21.28	-	0.00	0.00	0.00	0.00
Provisions for Other loans	-	43.95	17.99	0.00	61.94	-	22.11	15.22	0.00	37.33
Additional Provision										
-(Individuals, Corporate Bodies, Others)	-	1,107.83	568.25	0.00	1,676.08	-	763.55	276.46	-	1,040.01
Total	-	1,303.33	1,224.48	263.29	2,791.11	-	898.29	1,041.38	36.06	1,975.73

13.3 Recognition of income and provision for non-performing assets has been made in accordance with the guidelines on prudential norms applicable as of March 31, 2017. Provision of loans is required to be maintained as per NHB guidelines on prudential norms to the extent of ₹1,115.02 Lakh (Previous year ₹935.73 Lakh) against which the Company, by way of prudence and abundant caution has maintained cumulative provision of ₹2,791.11 Lakh (Previous year ₹1,975.73 Lakh).

Notes forming part of the Financial Statements

13.4 As per the National Housing Bank Circulars NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012 & NHB.HFC.DIR.9 /CMD/2013 dated September 6, 2013, in addition to the provision for non performing assets, all housing finance companies are required to carry a general provision (i) at the rate of 1% of Standard Assets in respect of Commercial Real Estates other than Residential Housing, (ii) at the rate of 0.75% of Standard Assets in respect of Commercial Real Estate – Residential Housing and (iii) at the rate of 0.40% of the total outstanding amount of loans which are Standard Assets other than (i) and (ii) above. Loans to individuals for 3rd dwelling units onwards shall be treated as Commercial Real Estate (CRE) exposure. Accordingly the Company has made provision for Standard assets as detailed below.

Particulars	(₹ in Lakh)			
	2016-17		2015-16	
	Outstanding	Provisions	Outstanding	Provisions
(i) Standard Assets – Commercial Real Estate	1,12,737.32	1,127.37	93,385.73	933.86
(ii) Standard Assets – Commercial Real Estate – Residential Housing	78,379.75	587.85	49,107.70	368.31
(iii) Standard Assets – Other than (i) & (ii) above	11,37,398.15	4,549.59	9,19,844.65	3,679.38
Total Standard Assets & Provisions required	13,28,515.22	6,264.81	10,62,338.08	4,981.55
Total Provision made for Standard Assets		6,265.00		5,200.00

14 CASH AND BANK BALANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
a) Cash and Cash Equivalents		
Balance with Banks - regular operations	9.79	94.23
Cash on hand	43.70	20.34
Cheques on hand	116.00	69.69
b) Other Bank Balances		
Deposits with Banks held for SLR	1,654.00	1,405.00
Balance with Banks – Dividend A/c	124.18	98.34
Balance with Banks –Share application A/c	47.62	47.62
	1,995.29	1,735.22

Notes forming part of the Financial Statements

15 SHORT TERM LOANS AND ADVANCES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
(i) Secured, Considered Good.		
Current Maturities of Long term Advances		
- Housing Loans - Individuals / staff	383.25	453.87
- Housing Loans - corporate bodies & others	795.42	764.07
- Non Housing Loans	27.37	67.73
	1,206.04	1,285.67
Less: Provision for Non Performing Assets	215.62	84.66
	990.42	1,201.01
(ii) Unsecured, Considered Good		
Other advances (Refer Note 15.1)	12,161.28	8,534.66
Staff Advances	30.82	39.92
Cenvat Credit Receivable	0.00	15.10
	13,182.52	9,790.70

15.1 Other Advances includes Advance Taxes paid (net of provisions) ₹12,080.14 Lakh (previous year ₹8,464.16 Lakh).

16 OTHER CURRENT ASSETS:

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Interest Accrued on Investments held for SLR	21.58	17.66
	21.58	17.66

Notes forming part of the Financial Statements

17 CONTINGENT LIABILITIES

(₹ in Lakh)

Nature of claims	As at March 31, 2017	As at March 31, 2016	Risk involved
Disputed Income Tax matters under appeal:	780.81	780.81	- The Income Tax Appeals filed by the Department for the Asst. Years 1996-97 to 1999-2000 have been dismissed by the Hon'ble High Court of Karnataka and allowed in favour of the Company. The Department has filed two separate appeals before the Hon'ble Supreme Court of India for the Asst. Year 1996-97 which has since been dismissed. - The appeals filed by the Company for the Asst. Year 2006-07 and 2007-08 were dismissed by the 2nd appellate authority and the Company has preferred appeals before the Hon'ble High Court of Karnataka which are admitted and yet to be heard. The alleged demand for the Asst. Year 2006-07 (under appeal) has been recovered by the Department to the extent of ₹535 Lakh out of the refunds determined to the Company. The alleged demand for the Asst. Year 2007-08 (under appeal) amounting to ₹448.13 Lakh towards the alleged Income Tax and interest, is continued to be shown as such under disputed Tax. - An amount of ₹16.44 Lakh demanded for the Asst. Year 2011-12 continues to be shown under disputed tax, pending receipt of rectification orders against which the Company has determined a liability of ₹1.97 Lakh to be adjusted against the refund due to the Company.
Claims made by borrowers of the Company before various Consumer Forums.	21.07	22.46	There are seven cases in Consumer forum and one case in High Court pending where compensation is sought against the Company.

Notes forming part of the Financial Statements

18 REVENUE FROM OPERATIONS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
(i) INTEREST INCOME		
Housing Loans Individuals	1,10,774.48	89,108.50
Housing Loan Corporate Bodies & others	356.71	501.10
Non Housing Loans	19,243.00	14,644.91
Staff Loans	9.99	10.54
Loans against deposits	8.06	11.59
Investments and Deposits		
a) Short Term	5.91	
b) Long term	209.56	164.85
	1,30,607.71	1,04,441.48
(ii) FEES AND OTHER CHARGES	4,598.99	3851.79
	1,35,206.70	1,08,293.27

19 OTHER INCOME

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Profit on sale of fixed assets	0.00	25.39
Bad debts recovered	10.30	10.32
Miscellaneous income	95.22	25.32
	105.52	61.03

20 EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Salary and Wages	3,393.91	2,752.75
Contribution to Provident Fund and other Funds	381.80	383.34
Staff Training and Welfare Expenses	160.24	169.58
	3,935.95	3,305.67

20.1 Employee Benefit Expenses include ₹459.21 Lakh (Previous Year ₹407.50 Lakh) towards provision made in respect of Gratuity, accumulated leave salary (PL encashment), Statutory Provident Fund and Leave Travel Assistance which is in the nature of Long Term Employee Benefits and has been actuarially determined as per the Accounting Standard on Employee Benefits (AS 15).

21 FINANCE COSTS

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Interest on Deposits	2,233.82	2,252.68
Interest on Borrowings	85,628.99	71,283.81
Other Financial charges	539.93	811.54
	88,402.74	74,348.03

Notes forming part of the Financial Statements

22 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Depreciation on Fixed Assets	373.22	346.45
	373.22	346.45

23 OTHER EXPENSES

Particulars	(₹ in Lakh)	
	As at March 31, 2017	As at March 31, 2016
Advertising	116.09	87.70
Bad debts written off	85.31	329.37
Bank Charges	25.83	20.13
Direct Selling Agent's commission	990.70	777.73
Director's sitting Fees	12.60	10.10
Electricity charges	115.03	99.48
Insurance	53.81	37.60
Miscellaneous Expenses	122.77	91.80
Postage, Courier & Telephone	115.76	86.92
Printing and Stationery	33.35	30.11
Professional Fees	134.70	112.71
Professional Fees – IBS (Refer Note 23.1)	299.35	277.87
Auditors Fees (Refer Note 23.2)	31.68	22.46
Rates and Taxes	96.68	94.74
Rent	796.48	617.76
Repairs & Maintenance	143.92	105.92
Travelling and Conveyance	149.03	116.45
Corporate Social Responsibility (CSR)	435.79	108.72
Loss on sale of Fixed Assets	3.37	-
	3,762.25	3,027.55

23.1 The Company has entered into lease cum licence agreement with M/s Encore Theme Technologies Pvt. Ltd., for implementation of Integrated Business Suit (IBS) software. The expenditure incurred in this regard amounting to ₹299.35 Lakh (Previous Year ₹277.87 Lakh) is charged off to the P & L account under Professional fees – IBS.

23.2 Auditor's remuneration (net of Service Tax)

Particulars	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees (Including Branch Statutory Auditors fees)	23.87	15.43
Tax Matters	5.51	4.43
Other Services (Certificates etc.,)	2.30	2.60
Out of Pocket Expenses	5.05	4.60
Total	36.73	27.06

Notes forming part of the Financial Statements

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
(i) Salaries – Shri S K Hota	15.55	0.00
(ii) Incentives –Shri S K Hota	3.00	0.00
(iii) Provident Fund - Shri S K Hota	0.94	0.00
(iv) Salaries – Shri C Ilango	2.24	21.76
(v) Incentives – Shri C Ilango	3.29	3.75
(vi) Provident Fund/Gratuity/ Leave Salary - Shri C Ilango	7.79	0.97
Total	32.81	26.48

24 The Company has provided 100% provision for Non-Performing assets. Additional Provision provided in the current year is ₹815.38 Lakh (previous year ₹540.53 Lakh).

25 Prior Period Adjustment: During the year an amount of ₹281.87 Lakh earlier shown under the head Land & Building was bifurcated into Land (₹97.77 Lakh) and Building (₹187.10 Lakh). This has resulted in reversal of accumulated depreciation and thereby increase in profit by ₹58.85 Lakh during the year which is disclosed as Prior Period Adjustment in the statement of Profit & Loss.

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

Particulars	(₹ in Lakh)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax (₹ in Lakh) (a)	23,525.88	15,710.51
Weighted average No. of shares (₹ in Lakh) (b)	266.20	266.20
Basic earnings per share (₹) (a/b)	88.38	59.02
Diluted earnings per share (₹) (a/b)	88.38	59.02
Nominal value per share (₹)	10.00	10.00

27 OTHER DISCLOSURES REQUIRED AS PER NHB

The following additional disclosures have been given in terms of the circular no. NHB/ND/DRS/Pol-No.35/2010-11 dt. October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

a) Capital to Risk Assets Ratio (CRAR)

Items	Current Year	Previous Year
i) CRAR (%)	18.50%	20.69%
ii) CRAR – Tier I Capital (%)	16.01%	17.64%
iii) CRAR – Tier II Capital (%)	2.49%	3.05%
iv) Amount of subordinated debt raised as Tier – II Capital (₹ in Lakh)	10,000.00	10,000.00
v) Amount raised by issue of Perpetual Debt Instruments (₹ in Lakh)	0.00	0.00

Tier II capital includes Provision for Standard Assets.

Notes forming part of the Financial Statements

27 OTHER DISCLOSURES REQUIRED AS PER NHB (Contd...)

b) Exposure to Real Estate Sector

		(₹ in Lakh)	
Category		Current Year	Previous Year
a) Direct Exposure			
i)	Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
	- Individual Loans of & up to ₹15 Lakh.	4,81,697.50	3,95,114.42
	- Individual loans above ₹15 Lakh.	7,39,681.17	5,90,167.17
ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estate (Office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits:	1,10,332.54	79,281.49
iii)	Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -		
	a) Residential	Nil	Nil
	b) Commercial Real Estate		
b) Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance companies (HFCs)	Nil	Nil

c) Exposure to Capital Market : NIL

d) Details of financing of parent Company products : NIL

e) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC : NIL

f) **Unsecured Advances : NIL**

g) Asset Liability Management

Maturity Pattern of Certain items of Assets & Liabilities as on March 31, 2017

[illegible]

Notes forming part of the Financial Statements

h) Registration obtained from other financial sector regulators : NIL

i) Rating assigned by Credit Rating Agencies and migration of rating during the year:

"MAAA" by ICRA for Deposit Schemes

"AAA" by CARE, India Ratings & Research Pvt Limited (FITCH) and ICRA for Debenture issue

"A1+" by ICRA for CP issue

"AAA" by ICRA for long term bank loans and A1+ for short term bank loans

The same rating was assigned in the last year also.

j) Revenue Recognition

No revenue recognition has been postponed pending the resolution of significant uncertainties.

k) Accounting Standard 21 – Consolidated Financial Statements (CFS)

The subject Standard is not applicable for the Company.

l) Provisions and Contingencies

	(₹ in Lakh)	
Break up of Provisions and Contingencies shown under the head Expenditure in Profit & Loss Account	Current Year	Previous Year
Provision for depreciation on Investment	0.00	0.00
Provision made towards Income Tax	11,513.00	8,000.00
Provision towards NPA	815.38	540.53
Provisions for Standard Assets (for details like teaser loan, CRE, CRE-RH etc refer note no. 13.4)	1,065.00	1,400.00
Other Provisions & Contingencies	0.00	0.00

m) Draw Down from Reserves

There was no drawn down from Reserves during the year 2016-17 except for creation of Deferred Tax Liability on Special Reserve as per the Circular No. NHB(ND)/DRS/Pol.65/2014 dated August 22, 2014 issued by National Housing Bank.

n) Concentration of Public Deposits, Advances, Exposures and NPAs

i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

	(₹ in Lakh)	
Particulars	Current Year	Previous Year
Total Deposits of twenty largest depositors	6,115.30	9,140.56
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC	26.98%	41.36%

ii) Concentration of Loans & Advances

	(₹ in Lakh)	
Particulars	Current Year	Previous Year
Total Loans & Advances to twenty largest borrowers	4,326.01	5,196.15
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	0.32%	0.49%

Notes forming part of the Financial Statements

iii) Concentration of all Exposure (including off-balance sheet exposure)

Particulars	(₹ in Lakh)	
	Current Year	Previous Year
Total Exposure to Twenty largest borrowers / customers	4,326.01	5,196.15
Percentage of exposure to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	0.32%	0.49%

iv) Concentration of NPAs

Particulars	(₹ in Lakh)	
	Current Year	Previous Year
Total Exposure to Top ten NPA accounts	673.27	568.22

v) Sector-wise NPAs

Sl No.	Sector	Percentage of NPAs to Total Advances in that sector
A	Housing Loan	
1	Individuals	0.20
2	Builders / Project Loans	8.70
3	Corporates	0.00
4	Others (specify)	0.00
B	Non – Housing Loans	
1	Individuals	0.22
2	Builders / Project Loans	0.00
3	Corporates	0.00
4	Others (specify)	0.00

vi) Movement of NPAs

Sl No.	Particulars	(₹ in Lakh)	
		Current Year	Previous Year
1	Net NPAs to Net Advances (%)	0.00	0.00
2	Movement of NPAs (Gross)		
a	Opening balance	1975.73	1435.19
b	Additions during the year	1295.34	1210.53
c	Reductions during the year	479.96	669.99
d	Closing balance	2791.11	1975.73
3	Movement of Net NPAs		
a	Opening balance	0.00	0.00
b	Additions during the year	815.38	540.54
c	Reductions during the year	815.38	540.54
d	Closing balance	0.00	0.00
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
a	Opening Balance	1975.73	1435.19
b	Provisions made during the year	850.00	800.00
c	Write-off / Write-back of excess provisions	34.62	259.46
d	Closing balance	2791.11	1975.73

Notes forming part of the Financial Statements

vii) Overseas Assets

		(₹ in Lakh)	
Sl No.	Particulars	Current Year	Previous Year
	NIL		

viii) Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

ix) Disclosure of Complaints

Customer Complaints

Sl No.	Particulars	Current Year	Previous Year
1	No. of Complaints pending at the beginning of the year	1	8
2	No. of Complaints received during the year	261	673
3	No. of Complaints redressed during the year	253	680
4	No. of Complaints pending at the end of the year	9	1

28 PARTICULARS OF DIVIDEND PAID TO NON-RESIDENT SHAREHOLDERS:

Year in which dividend paid	2016-17	2015-16
No of Shareholders	595	574
No of Shares held	2,67,294	2,38,870
Gross amount of Dividend (Rupees)	26,72,940	16,72,090

29 DISCLOSURE ON EMPLOYEE BENEFITS – AS 15 REVISED

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

Privilege Leave is an employee benefit wherein confirmed Officer/Employee is entitled to 30 days of PL every year, which can be accumulated upto a max of 240 days.

Provident Fund is a statutory employee benefit wherein contributions are made by the employee and employer in prescribed proportion.

Sick Leave is a Benefit, which an Officer/Employee is entitled to 15 days in a year, which can be accumulated upto a maximum of 270 days.

Leave Fare Concession is an employee benefit wherein all confirmed Employees/Officers are entitled once in two years.

Notes forming part of the Financial Statements

29 DISCLOSURE ON EMPLOYEE BENEFITS – AS 15 REVISED (Contd..)

I. Reconciliation of Present Value of Projected Benefit Obligation

(₹ in Lakh)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16
1	Present value of Projected Benefit obligation as on 01/04/15 & 01/04/16	857.28	792.82	2496.86	2028.06	71.05	52.41	0.00	0.00	695.47	479.14
2	Service Cost	52.05	37.26	496.75	418.82	8.73	5.44	94.20	65.43	39.53	24.94
3	Interest Cost	66.33	60.74	226.51	190.62	5.61	4.09	0.00	0.00	51.76	34.84
4	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Actuarial Gains (+) Losses (-)	4.93	-5.35	-217.94	0.44	3.13	9.11	0.00	0.00	211.84	221.56
6	Benefit Paid	35.28	28.19	162.26	141.08	0.00	0.00	0.00	0.00	80.43	65.01
7	Present Value of Projected Benefit Obligations as on 31/03/16 & 31/03/17 (1+2+3+4+5- 6)	945.32	857.28	2839.92	2496.86	88.52	71.05	94.20	65.43	918.17	695.47

ii. Expenses Recognised in the Statement of Profit and Loss Account for the year ended 31.03.2017

(₹ in Lakh)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16
1	Service Cost	52.05	37.26	496.75	418.82	8.73	5.44	94.20	65.43	39.53	24.94
2	Past Service Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Interest Cost	66.33	60.74	226.51	190.63	5.61	4.09	0.00	0.00	51.76	34.84
4	Actuarial Gains (-) Losses (+)	2.83	-1.79	-194.63	34.45	3.13	9.11	0.00	0.00	211.84	221.56
5	Expected Return on Plan Assets	11.37	10.51	233.67	198.69	0.00	0.00	0.00	0.00	0.00	0.00
6	Benefits paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Amount charged to Employees remuneration And benefits & other Expenses (1+2+3+4-5-6)	109.84	85.70	294.96	445.21	17.47	18.64	94.20	65.43	303.13	281.34

iii. Reconciliation of Opening Balances and Closing Balances of Plan Assets

(₹ in Lakh)

Sl. No.	Particulars	Gratuity		Exempt PF		Sick Leave		LTC		Long Term Compensated Absence	
		16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16	16-17	15-16
1	Opening Balance	154.58	175.82	2428.93	1986.51	0.00	0.00	0.00	0.00	0.00	0.00
2	Expected Return	11.37	10.51	233.67	198.69	0.00	0.00	0.00	0.00	0.00	0.00
3	Actuarial Gains (+) Losses (-)	2.10	(3.56)	(23.30)	(34.01)	0.00	0.00	0.00	0.00	0.00	0.00
4	Contribution by employees	10.36	0.00	496.75	418.82	0.00	0.00	0.00	0.00	80.43	65.01
5	Benefits paid	35.28	28.19	162.26	141.08	0.00	0.00	0.00	0.00	80.43	65.01
6	Closing balance (1+2+3+4-5)	143.13	154.58	2973.78	2428.93	0.00	0.00	0.00	0.00	0.00	0.00

Notes forming part of the Financial Statements

iv. Actuarial Assumptions

Sl No.	Description	As on 31st March 2017	As on 31st March 2016
1	Discount Rate per annum	7.30%	7.90%
2.	Rate of Return on Plan Assets	Gratuity 8.00% Exempted PF 8.65%	Gratuity 8.00% Exempted PF 9%
3	Mortality Rate	Indian Assured Lives (1994-96) Ultimate Table	Indian Assured Lives (1994-96) Ultimate Table
4	Withdrawal rates (per annum)	3.50%	5.00%
5	The estimates of future salary increases considered in actuarial valuation, take into account escalation, inflation, seniority, Promotion and other relevant factors	8.50% for the next five years	8.50% for the next five years

30 Segment Reporting – There are no separate reportable segments as per Accounting Standard on Segment Reporting (AS-17) as the Company's primary business is of housing finance.

31 The transactions with related parties as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India and as required under the Listing Agreement with Stock Exchanges are furnished below:

(A) Related Parties:

Canara Bank	Sponsor Bank
Canbank Factors Ltd.	Subsidiaries of Canara Bank
Canbank Computer Services Ltd.	
Canbank Financial Services Ltd.	
Canbank Venture Capital Fund	
Canara Bank Securities Ltd	
Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd.	Joint Venture with Canara Bank
Canara Robeco Asset Management Company Ltd.	

(B) Key Management Personnel:

Shri S K Hota - Managing Director

Shri Atanu Bagchi – Deputy General Manager & Chief Financial Officer (CFO)

Smt. Veena G Kamath – Company Secretary

Notes forming part of the Financial Statements

(C) Transactions with Related Parties:

			(₹ in Lakh)	
Sl No.	Related Party	Nature of Transaction	2016-17	2015-16
1	Canara Bank	Term Loans & other credit facilities	169182.16	170805.48
		Interest paid for the year	8895.33	16443.03
		Deposits	1654.00	1405.00
		Interest earned for the year	115.55	76.35
		Rent paid for the year	48.19	40.65
		Bank charges for the year	25.78	41.94
		Sitting Fees to Directors	3.30	2.64
		Salary of Managing Director/s	32.81	26.48
		Other Payments for the year	5.38	4.95
		Rent Received from Bank	1.10	1.09
		Guarantee in respect of Rights Issue to BSE	0.00	139.00
2	Canbank Computer Services Ltd	Discount on Commercial Paper	541.40	-
		Registrar & Transfer Agency charges for the year	13.31	16.10
		IT Services	0.00	0.00
		Other Services	0.00	0.00
3	Canara Bank Employee Pension Fund	Borrowings by way of SRNCD	1000.00	1000.00
		Interest on SRNCD paid during the year	84.80	0.00
4	Canara Bank Employee Gratuity Fund	Borrowings by way of SRNCD	1000.00	0.00
5	Canara Bank Staff Provident Fund	Borrowings by way of SRNCD	3500.00	0.00
6	Canara Robeco Asset Management Company Ltd.	Interest earned for the year	5.91	0.00
TOTAL			1,86,109.02	1,90,002.71

The Company is maintaining current accounts with Canara Bank and having a closing balance of ₹133.97 Lakh as on 31/03/17 (previous year ₹192.39 Lakh).

(Amount written off: Nil | Amount written back: Nil | All the above are transacted in the normal course of business.)

- 32** NHB in its regulatory Audit conducted during the current financial year for FY14-15 has raised an issue on the procedure followed by the Company since beginning on valuation of Government Securities under HTM category invested for SLR purpose. Since there is no change in regulations/procedures during the period, matter has been represented by the Company and a final decision is awaited.'

33. DERIVATIVES

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

- Forward Rate Agreement (FRA) / Interest Rate Swap (IRS): No exposure
- Exchange Traded Interest Rate (IR) Derivative: No exposure
- Disclosures on Risk Exposure in Derivatives : Not applicable

Notes forming part of the Financial Statements

34. SECURITISATION

The following additional disclosures have been given in terms of the Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing bank.

The Company has no exposure under Securitisation.

35. The Company has constituted Corporate Social Responsibility (CSR) Committee to prescribe CSR policies and its implementation as per the section 135 of Companies Act, 2013. The CSR policy has been approved by the Committee on 19/01/15 and the Board of Directors on 20/01/15 and the same is already uploaded in the Company's website. The total amount to be spent under the CSR for the FY16-17 is to the extent of ₹402.00 Lakh (including the unspent amount of ₹68.77 Lakh for FY15-16). The Company has so far spent ₹435.79 Lakh (previous year ₹108.72 Lakh), during the year. The balance unspent amount of ₹10.46 Lakh (previous year ₹8.70 Lakh), will be carried forward to FY17-18.

36. Disclosure of Specified Bank Notes (SBN) as per Notification no. G.S.R 308(E) dated 30/03/17 issued by the Ministry of Corporate Affairs:

(₹ in Lakh)				
Sl No.	Particulars	SBN (H)	Other Denomination Notes (H)	Total Amount (H)
1	Closing Cash in Hand as on 08.11.2016	23.65	1.93	25.58
2	(+) Cash Receipts at branch	105.85	477.99	583.84
3	(-) Cash Payments	0.81	23.92	24.73
4	(-) Amount Deposited in the Bank	128.67	425.55	554.22
5	Closing Cash in Hand as on 30.12.2016	0.02	30.45	30.47

The amount collected pertains to the loan accounts of the Borrowers and credited to the respective loan accounts.

37. The Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010.

38. Previous year figures have been rearranged/regrouped wherever necessary to correspond with the current year's classification/disclosure.

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

K N Prithviraj
Chairman

S K Hota
Managing Director

G Naganathan
Director

K Viswanath
Partner
Membership No: 022812

S A Kadur
Director

T V Rao
Director

P V Bharathi
Director

Place: Bengaluru
Date : April 25, 2017

Atanu Bagchi
Chief Financial Officer

Veena G Kamath
Company Secretary

List of Branches as on April 30, 2017

1. Agra

CAN FIN HOMES LTD
No.7/9, 1st Floor, Sector 9, AwasVikas Colony, Near Kargil Petrol Pump, SikandraBodla Road, Agra 282007
Uttar Pradesh,
Tel:0562 -4008500
Email 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
Tel:079-26405312/26560759
Email id: ahmedabad@canfinhomes.com

3. Ajmer

CAN FIN HOMES LTD
Shop No. 10, First Floor, Bhadana Complex, Nasirabad Road, Opp. Balupura Road, Adarsh Nagar, Ajmer - 305001
Tel: 0145-2680249
Email id: ajmer@canfinhomes.com

4. Allahabad

CAN FIN HOMES LTD
43/10, 1st Floor, Sardar Patel Marg Civil Lines, Allahabad - 211001
Tel: 0532 2260680
Email id: allahabad@canfinhomes.com

5. Ambala

CAN FIN HOMES LTD
Showroom No.4, First Floor, Prem Nagar, Old Delhi Road, Ambala - 134003
Tel: 0171-2550560
Email id: ambala@canfinhomes.com

6. Baroda

CAN FIN HOMES LTD
No.4,5,6, First Floor, Plot No.24, Spring Field Complex, Hari Nagar Co-Operating Housing Society, Hari Nagar Chhar Rasta, Gotri Road, Vadodara-390021
Tel: 0265-2388326/2388327
Email id: baroda@canfinhomes.com

7. Belgaum

CAN FIN HOMES LTD
Shop No. 5, Ground Floor, Classic Manor, SomwarPeth Tilakwadi, Belgaum - 590006
Tel: 0831 - 2464577
Email id: belgaum@canfinhomes.com

8. Bhopal

CAN FIN HOMES LTD
Plot No 1, 1st Floor, Zone 2, M P Nagar, Bhopal-462011
Tel: 0755-2577939/2577935
Email id: bhopal@canfinhomes.com

9. Bhubaneswar

CAN FIN HOMES LTD
Plot No. SCR - 44, 1st Floor, Kharavela Nagar, Unit 3, Bhubaneswar - 751001
Tel : 0674-2393345 /2393061
Email id: bhubaneswar@canfinhomes.com

10. BLR – Basavanagudi

CAN FIN HOMES LTD
No. 93/04, 1st Floor, Shanthi Parvath, South End Circle, Basavanagudi, Bengaluru – 560004
Tel: 080 – 26560277/41216633
Email id: basavanagudi@canfinhomes.com

11. BLR – Begur

CAN FIN HOMES LTD
No. 2 & 4, Shanti Priya Layout, Devarachikkanahalli Road, Behind Govt High School, Bengaluru – 560068
Tel: 080 – 25740123
Email id: begur@canfinhomes.com

12. BLR – Bidadi

CAN FIN HOMES LTD
Sri Annapoorneshwari Complex, 1st Floor (above Canara Bank), BGS Road, Bidadi, Bengaluru – 562109
Tel: 080 – 27282580
Email id: bidadi@canfinhomes.com

13. BLR-Cunningham Road

CAN FIN HOMES LTD
No - 19/5, 'KAREEM TOWERS', 1st Floor, Cunningham Road, Bengaluru-560052
Tel:080-22266430/22257906
Email id: cunninghamroad@canfinhomes.com

14. BLR-Devanahalli

CAN FIN HOMES LTD
No.19/18/2598/2431/2105, 1st Floor, Raja Rao Complex, Opp. SBI, Tippu Sultan Road, Devanahalli, Bengaluru-562110
Tel: 080-27682007
Email id: devanahalli@canfinhomes.com

15. BLR – Electronic City

CAN FIN HOMES LTD
"VIJAY ICON" Sr. No. 61/11, Hoskur Gate, Ananthanagar Road Electronic City, Bengaluru – 560100
Tel: 080-27833633
Email id: electroniccity@canfinhomes.com

16. BLR-Hesaraghatta Road

CAN FIN HOMES LTD
No 765, 1st Floor, MEI Layout, 60 feet Road, Bagalagunte, Hesaraghatta Rd Bengaluru-560073
Tel:080-28390315
Email id: hesaraghatta@canfinhomes.com

17. BLR – HRBR Layout

CAN FIN HOMES LTD
No. 2C-707, Ground Floor, 7th Main, 2nd Cross, 1st Block, HRBR Layout, Bengaluru – 560043
Tel :080-25450092
Email id: hrbr@canfinhomes.com

18. BLR-Jayanagar

CAN FIN HOMES LTD
"Sajini", #69, Old no. 35, Ground & 1st Floor, 12th Main Jayanagar, 3rd Block, Bengaluru - 560011
Tel:080-26630776/26630501
Email id: jayanagar@canfinhomes.com

19. BLR – K R Puram

CAN FIN HOMES LTD
No- 414, Pooja Complex, 2nd Floor, Old Madras Road, K R Puram, Bengaluru – 560036
Tel:080-25619333
Email id: krpuram@canfinhomes.com

20. BLR – Kanakapura Road

CAN FIN HOMES LTD
No.58, 1st Floor, Sri Channakeshava Swamy Nilaya 6th Crs, Raghuvanahalli, Opp. IT, Kanakapura Main Road Bengaluru – 560062
Tel : 080-69999326
Email id: kanakapura@canfinhomes.com

21. BLR-Kengeri

CAN FIN HOMES LTD
#445,Gnd Flr, 4th Main 5th Crs, Near Shreya Hospital Kengeri Satellite Town, Bengaluru-560060
Tel:080-28486098/99
Email id: kengeri@canfinhomes.com

22. BLR-Koramangala

CAN FIN HOMES LTD
No.586,II Floor, 80 ft. Road,
Near Police Station,Opp.Bethany School,
8th Block, Koramangala, Bengaluru-560095
Tel: 080- 41115689/41112879
Email id: koramangala@canfinhomes.com

23. BLR-Marathahalli

CAN FIN HOMES LTD
No 14, Ground Floor "Krishna Towers"
Outer Ring Road Cross, Marathahalli,
Bengaluru-560037
Tel:080-25401332
Email id: marathahalli@canfinhomes.com

24. BLR-Nelamangala

CAN FIN HOMES LTD
I Floor, Nandi Complex, K No.2151,
Opp. Taluk Panchayath Office,
Subhash Nagar, Nelamangala
Bengaluru – 562123
Tel: 080-27722664
Email id: nelamangala@canfinhomes.com

25. BLR-Sahakarnagar

CAN FIN HOMES LTD
116/3,First Floor, G Block
60 Feet Road, Sahakarnagar
Bengaluru-560092
Tel:080-23636425/23635730
Email id: sahakarnagar@canfinhomes.com

26. BLR - Sarjapur Road

CAN FIN HOMES LTD
No.1569, 2nd Floor, Outer Ring Road
Sector 1, HSR Layout
Bengaluru-560102
Tel : 080 – 22583623/22583643
Email id: sarjapur@canfinhomes.com

27. BLR-Uttarahalli

CAN FIN HOMES LTD
#39,Ground Floor,
Subramanyapura Main Road,
Chikkalasandra, Near Prarthana School,
Bengaluru-560061
Tel:080-26394003/26394009
Email id: uttarahalli@canfinhomes.com

28. BLR-Vijayanagar

CAN FIN HOMES LTD
No 148/E,I Floor, Siddalingeswara Towers,
17th Main, East Of Chord Road, Vijayanagar,
Bengaluru-560040
Tel:080-23404965/23359162
Email id: vijayanagar@canfinhomes.com

29. Calicut

CAN FIN HOMES LTD
18/1145 D, 1st Floor, K T Commercial
Complex, Jail Road,Calicut-673004
Tel:0495-2704883/2704884
Email id: calicut@canfinhomes.com

30. Coimbatore - Gandhipuram

CAN FIN HOMES LTD
439, Lawrance Complex, Cross Cut Road,
Gandhipuram, Coimbatore-641012
Tel:0422-2235977/2230163
Email id: coimbatore@canfinhomes.com

31. CBE-P N Palyam

CAN FIN HOMES LTD
City Palace, 1st Floor, Railway Feeder Road,
Near LMW, P N Palyam, Coimbatore-641020
Tel:0422-2693235
Email id: pn.palyam@canfinhomes.com

32. Chandigarh

CAN FIN HOMES LTD
SCO-87,I Floor, Sector 47-D,
Chandigarh-160047
Tel:0172-2632925, 2632097
Email id: chandigarh@canfinhomes.com

33. CHN-Ambattur

CAN FIN HOMES LTD
Old No.29A, New No.7A, Ground Floor,
High School Road, Secretariat Colony,
Ambattur, Chennai-600053
Tel:044-26572050
Email id: ambattur@canfinhomes.com

34. CHN-Anna Salai

CAN FIN HOMES LTD
NO.770/A, Spencer Tower Annexe
Anna Salai,Chennai-600002
Tel:044-28497026/28496318
Email id: chennai@canfinhomes.com

35. CHN-Chengalpattu

CAN FIN HOMES LTD
Plot No.28, Ground Floor,
Lawyer Krishnaswamy Street,
Vedachalam Nagar, Chengalpattu – 603001
Tel :044 – 27426466
Email id: chengalpattu@canfinhomes.com

36. CHN-Perungudi

CAN FIN HOMES LTD
Ground Floor, Grihalayaloganayaki,
Plot No.17, Door No.26/62, 1st Main Road,
Tirumalai Nagar Annexe, Perungudi,
Chennai-600096
Tel : 044-24965656
Email id: omr@canfinhomes.com

37. CHN-Porur

CAN FIN HOMES LTD
44/2, Somasundaram Avenue
Sakthi Nagar Main Road, Porur,
Chennai-600116
Tel:044-22520032
Email id: porur@canfinhomes.com

38. CHN-Red Hills

CAN FIN HOMES LTD
No.7, Madhavaram High Road,
(off GNT Road), Red Hills, Chennai-600052
Tel:044 26322077
Email id: redhills@canfinhomes.com

39. CHN-Sriperumbudur

CAN FIN HOMES LTD
No.122 -123, I Floor, XVB Building,
Gandhi Road, Sriperumbudur – 602 105
Tel :044 – 27162188
Email id: sriperumbudur@canfinhomes.com

40. CHN-Tambaram

CAN FIN HOMES LTD
No.52,1st floor, Raj Kamal complex,
Gandhi Road,Tambaram West
Chennai-600045
Tel:044-22260600/22260640
Email id: tambaram@canfinhomes.com

41. CHN-Thiruvallur

CAN FIN HOMES LTD
#52, I Floor, TNHB, Kakalur Main Road,
Thiruvallur – 602001
Tel : 044 – 27666161
Email id: thiruvallur@canfinhomes.com

42. Cochin

CAN FIN HOMES LTD
39/3728, Vishnupriya, Manikkiri,
M G Road,Pallimukku, Ernakulam,
Cochin-682016
Tel:0484-2356855/2356826
Email id: cochin@canfinhomes.com

43. Davangere

CAN FIN HOMES LTD
D.No.633,I Floor, K B Extension,
Opp to Bellary Siddamma Park,
Trishul Talkies Road, Davanagere - 577002
Tel: 08192-270345/235006
Email id: davangere@canfinhomes.com

44. Dehradun

CAN FIN HOMES LTD
Shanthi Plaza, 1st Floor, GMS Road,
Near Wadia Institute, Dehradun-248001
Tel:0135 -2520242
Email id: dehradun@canfinhomes.com

45. Dharuhera

CAN FIN HOMES LTD
1st Floor, Near Hanuman Mandir,
Sohna Road, Dharuhera - 123106, Haryana
Tel: 01274 - 242381
Email id: dharuhera@canfinhomes.com

46. Dindigul

CAN FIN HOMES LTD
#91, Sona Towers, Shop no. 21-23,
Palani Road, Dindigul - 624001
Tel: 0451 - 2433272
Email id: dindigul@canfinhomes.com

47. Erode

CAN FIN HOMES LTD
#64/5, GRDI Complex, Second Floor,
Perundurai Road, Erode - 638011
Tel: 0424 - 2255563
Email id: erode@canfinhomes.com

48. Goa

CAN FIN HOMES LTD
307&308, III Floor, Kamat Towers Patto,
Panjim, Goa-403001
Tel: 0832-2438517, 2438518
Email id: goa@canfinhomes.com

49. Guntur

CAN FIN HOMES LTD
4-1-1, 1st Floor, Gayatri Plaza,
Main Road, Koritipadu, Guntur-522007
Tel: 0863-2333064
Email id: guntur@canfinhomes.com

50. Gwalior

CAN FIN HOMES LTD
1st Floor, Business Centre, Plot. No.31,
Near Income Tax, City Centre,
Gwalior - 474 009
Tel: 0751-2233865
Email id: gwalior@canfinhomes.com

51. Hosur

CAN FIN HOMES LTD
Door No.74, First Floor, 3rd Cross,
Kamarajar Colony, Near Balaji Theatre,
Hosur-635109
Tel: 04344-220001/220040
Email id: hosur@canfinhomes.com

52. Hubli

CAN FIN HOMES LTD
Ground Floor, Eureka Junction,
Giriraj Annexe, Circuit House Road,
Hubli-580 029
Tel: 0836-2256390, 2256464
Email id: hubli@canfinhomes.com

53. HYD-Gachibowli

CAN FIN HOMES LTD
D.No.2-52/88, 2nd Floor,
SaiTeja Enclave, Indira Nagar,
Gachibowli, Hyderabad - 500 032
Tel: 040-23000030
Email id: gachi.bowli@canfinhomes.com

54. HYD - Kompally

CAN FIN HOMES LTD
Plot no. 1, Sy no. 12 & 24, Ganga Enclave
Pet Basheerbad, Kompally,
Hyderabad - 500067
Tel: 040-27940410
Email id: kompally@canfinhomes.com

55. HYD-Kukatpally

CAN FIN HOMES LTD
Unit No-201, Vijaya Sai Towers,
Opp: BJP Office, Kukatpally Main Road,
Hyderabad - 500072
Tel: 040 - 23053459/23055459
Email id: kukatpally@canfinhomes.com

56. HYD - LB Nagar

CAN FIN HOMES LTD
H. No. 3-11-114, 1st Floor, Plot No. 2,
Sri Nilayam, RTC Colony,
LB Nagar, Hyderabad - 500074
Tel: 040 - 49501072
Email id: lbnagar@canfinhomes.com

57. HYD-Nampally

CAN FIN HOMES LTD
Doyen Trade House, 5-9-100
Public Garden Road,
Hyderabad-500001
Tel: 040-23233385/23231626
Email id: hyderabad@canfinhomes.com

58. HYD - Ramachandrapuram

CAN FIN HOMES LTD
Plot No. 28 Brahmarambika Colony,
Beeramguda, Ramachandrapuram,
Hyderabad - 502032
Tel: 08455 - 280777
Email id: ramachandrapuram@canfinhomes.com

59. HYD-Tarnaka

CAN FIN HOMES LTD
12-13-416/1, 2nd Floor, Street No- 1,
Tarnaka, Secunderabad-500017
Tel: 040-27005553
Email id: taranaka@canfinhomes.com

60. Indore

CAN FIN HOMES LTD
'Kuber House', 162, 1st Floor,
Kanchan Bagh Main Road, Indore - 452001
Tel: 0731 - 2521194/95
Email id: indore@canfinhomes.com

61. Jaipur

CAN FIN HOMES LTD
Office Nos.S-14 to S-21, 2nd Floor,
Hawa Sadak, Geejgarh Towers,
Jaipur-302006
Tel: 0141-2211644/2211645
Email id: jaipur@canfinhomes.com

62. Jodhpur

CAN FIN HOMES LTD
No 301, III Floor, Front side,
Sabu Tower, 2nd Chopasani Road,
Jodhpur - 342001, Rajasthan
Tel: 0291-2640128
Email id: jodhpur@canfinhomes.com

63. Kakinada

CAN FIN HOMES LTD
D No 11-14-1, M U Towers, Near Balatripura
Sundari Temple, Ramaraopeta,
Kakinada-533001
Tel: 0884-2377898
Email id: kakinada@canfinhomes.com

64. Kanpur

CAN FIN HOMES LTD
Block No. 63/3, Mall Road, Harbans Mohal,
Kanpur - 208001
Tel: 0512-2302067
Email id: kanpur@canfinhomes.com

65. Karimnagar

CAN FIN HOMES LTD
D.No.2-3-31, Lahoti House, 1st Floor,
Bhoiwada, Karimnagar - 505001
Tel: 0878-2243299
Email id: karimnagar@canfinhomes.com

66. Karnal

CAN FIN HOMES LTD
1st Floor, SCO-2, Sec-9, HUDA Market,
Karnal-132001, Haryana
Tel: 0184-2231555
Email id: karnal@canfinhomes.com

67. Karur

CAN FIN HOMES LTD
MM Complex, 1st Floor,
9/1, Mohan Store Layout,
Near Kannan Departmental Store,
Sengunthapuram, Karur-639002
Tel: 04324-230970/319600
Email id: karur@canfinhomes.com

68. Khammam

CAN FIN HOMES LTD
D. No. 11 - 5 - 12/6, First Floor, Wyra Road,
Z.P. Centre, Near KVM High School,
Khammam - 507001
Tel: 08742-238161
Email id: khammam@canfinhomes.com

69. Kota

CAN FIN HOMES LTD
1-C-18, SFS, Front Side, 1st Floor,
Sheela Choudhary Road, Talwandi,
Kota-324005
Tel:0744-2426600
Email id: kota@canfinhomes.com

70. Kumbakonam

CAN FIN HOMES LTD
No. 137, First Floor, Gandhi Adigal Salai,
Kumbakonam - 612001
Tel: 0435-2400021
Email id: kumbakonam@canfinhomes.com

71. Kurnool

CAN FIN HOMES LTD
Shop No. 18 & 19, First Floor,
T. J. Shopping Mall, SBI Circle, R. S. Road,
Kurnool - 518004
Tel: 08518-222335
Email id: kurnool@canfinhomes.com

72. Lucknow

CAN FIN HOMES LTD
#3,Shahnajaf Road, 1st Floor,
Speed Building, Heazrat Ganj,
Lucknow-226001
Tel : 0522-4065123/2230331
Email id: lucknow@canfinhomes.com

73. Madurai

CAN FIN HOMES LTD
564/1,Ground Floor, Sakthi Towers
12th East Cross Street, Behind Naveen
Bakery, Anna Nagar, Madurai-625020
Tel: 0452-2524400/2539799
Email id: madurai@canfinhomes.com

74. Mandya

CAN FIN HOMES LTD
No.1689, 1st Floor, 100 Feet Road
(Double Road), Vidyanagar, Mandya - 571401
Tel: 0823 - 2222454
Email id: mandya@canfinhomes.com

75. Mangalore

CAN FIN HOMES LTD
Ground Floor, Canara Bank Building
Balmatta Road,Mangalore-575001
Tel:0824-2440193/2442593
Email id: mangalore@canfinhomes.com

76. Meerut

CAN FIN HOMES LTD
#5,Pinnacle Tower, First Floor,
Vaishali Corner, Ghar Road,
Meerut - 250002
Tel: 0121-4060006
Email id: meerut@canfinhomes.com

77. MUM-Borivali

CAN FIN HOMES LTD
No.101, First Floor, 'Ganjawalla Elegance',
Opp State Bank of Patiala, Ganjanwalla
Lane, Borivali West, Mumbai-400 092
Tel: 022-28924369/28925385
Email id: mumbai@canfinhomes.com

78. MUM-Kalyan

CAN FIN HOMES LTD
Unit No. 1, 1st Floor, Om Supreme Building,
Rambhau Patwardhan Road, Near D-Mart,
Bail Bazar, Kalyan (W) - 421301
Tel: 0251-2304040
Email id: kalyan@canfinhomes.com

79. MUM-Panvel

CAN FIN HOMES LTD
Ground floor, Shreeji Sangh, C.H.S. Ltd
Shop No.23, Plot no.15 & 16, Sector - 7,
Khanda Colony, New Panvel - 410206
Tel: 022-27459355
Email id: panvel@canfinhomes.com

80. MUM-Vashi

CAN FIN HOMES LTD
"GIRIRAJ", I Floor,SS-4/210 & 212
(OppMeghraj Multiplex), Sector-2,
Vashi, Navi Mumbai-400703
Tel: 022-27820168/27820169
Email id: navimumbai@canfinhomes.com

81. Mysore

CAN FIN HOMES LTD
No. 16, 1st Floor, Sita Vilas Road,
Near Marimallappa School,
Chamaraja Mohalla, Mysore-570024
Tel: 0821-2429699/2422377
Email id: mysore@canfinhomes.com

82. 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
Tel: 0712-2233898
Email id: nagpur@canfinhomes.com

83. Namakkal

CAN FIN HOMES LTD
No.387/1, Aarthi Complex, 1st Floor,
Salem Road, Namakkal - 637001
Tel: 04286-274252
Email id: namakkal@canfinhomes.com

84. Nashik

CAN FIN HOMES LTD
No.F-12, First Floor, Suyojit Sankul
Above Bafna Jewellers, Sharanpur,
Nashik - 422002
Tel:0253 2318305
E-mail id: nashik@canfinhomes.com

85. NCR-Faridabad

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

86. NCR-Gurgaon

CAN FIN HOMES LTD
SCO No. 34 & 35, I Floor,
Sector 10-A, (Above Canara Bank)
Gurgaon-122002
Tel:0124-2370760/2370035
Email id: gurgaon@canfinhomes.com

87. NCR-New Delhi

CAN FIN HOMES LTD
1st Floor, DDA Building,
Near Paras Cinema, Nehru Place,
New Delhi-110019
Tel: 011-26435815/26430236
Email id: delhi@canfinhomes.com

88. NCR-Noida

CAN FIN HOMES LTD
Plot No. C-3, 1st Floor (Above Canara Bank)
Sector - 1, Noida - 201301
Tel : 0120-2970164 / 65 / 67
Email id: noida@canfinhomes.com

89. NCR-Pitampura

CAN FIN HOMES LTD
DP-11, 1st Floor, Local Shopping Complex,
Above CB E-lounge, Pitampura,
New Delhi-110034
Tel: 011-27315619
Email id: pitampura@canfinhomes.com

90. NCR-Rohtak

CAN FIN HOMES LTD
1st Floor, Anand Plaza, Shop No.104,
Near Chottu Ram Chowk, Rohtak - 124001
Tel: 01262-257852
Email id: rohtak@canfinhomes.com

91. NCR-Sonepat

CAN FIN HOMES LTD
SCO-3, First Floor, Main Market,
Sector - 14, Sonepat - 131 001
Tel: 0130-2235101
Email id: sonepat@canfinhomes.com

92. 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
Tel: 0120 - 2396221
Email id: greaternoida@canfinhomes.com

93. Nellore

CAN FIN HOMES LTD
D No.15-276, 1st Floor, Above Syndicate
Bank, Brundavanam, Nellore - 524001
Tel: 0861-2334781
Email id: nellore@canfinhomes.com

94. Ongole

CAN FN HOMES LTD
D no.7-331(4), 1st Floor,
Above State Bank of Mysore,
Mangamooru Donka, Ongole – 523002
Tel: 08592-282023
Email id: ongole@canfinhomes.com

95. Patna

CAN FIN HOMES LTD
“Deep House”, 2nd Floor
Nala Road (Near Shiva Mandir)
Patna – 800004
Tel: 0612-2721046, 2721047
Email id: patna@canfinhomes.com

96. Pondicherry

CAN FIN HOMES LTD
490, I Floor, M G Road, Near Chinnakady,
Pondicherry-605001
Tel: 0413-2338447/2222118
Email id: pondicherry@canfinhomes.com

97. Pune

CAN FIN HOMES LTD
101, Uma Apartment, CTS-2027, Tilak Road,
Near S P College, 1st Floor, Sadashivpet,
Pune-411030
Tel: 020-24321030/24321031
Email id: pune@canfinhomes.com

98. Raipur

CAN FIN HOMES LTD
Sai Towers Building, 1st Floor
Besides Azad Chowk Police Station,
Amapara, G E Road, Raipur - 492001
Tel: 0771-2531100/4097077
Email id: raipur@canfinhomes.com

99. Rajahmundry

CAN FIN HOMES LTD
D.No. 75-6-38, First Floor,
North East Corner, B.V.R. Complex,
Prakash Nagar, Main Road,
Rajahmundry – 533103
Tel: 0883-2474781
Email id: rajahmundry@canfinhomes.com

100. Salem

CAN FIN HOMES LTD
#1, Johnson pet Road, Hastampatty,
Salem-636007
Tel: 0427-2420017
Email id: salem@canfinhomes.com

101. Shimoga

CAN FIN HOMES LTD
No.599, 1st Floor, Maruthi, 60 Feet Main
Road, Police Chowki Circle, Vinobanagar,
Shimoga - 577204
Tel: 08182-254110
Email id: shimoga@canfinhomes.com

102. Thoothukudi

CAN FIN HOMES LTD
No. 69D/4, Diya Corner, First Floor,
Second Street, Thoothukudi- 628003
Tel: 0461-2333636
Email id: thoothukudi@canfinhomes.com

103. Tiruchengode

CAN FIN HOMES LTD
No.86/17, Royal Towers, Sankari Main Road,
Seetarampalayam (Post)
Tiruchengode – 637209
Tel: 04288-255057
Email id: tiruchengode@canfinhomes.com

104. Tirunelveli

CAN FIN HOMES LTD
Thiripura Arcade, III Floor, No.75-A,
Trivandrum High Road, Palayamkottai,
Tirunelveli – 627002
Tel: 0462 – 2578567
Email id: tirunelveli@canfinhomes.com

105. Tirupathi

CAN FIN HOMES LTD
D No.19-8-169, SBI Colony,
Near Vijaya Bharathi TVS Show Room
Tirupathi – 517501
Tel: 0877-2242692
Email id: tirupathi@canfinhomes.com

106. Tirupur

CAN FIN HOMES LTD
No.302/3, First Floor, Above Canara Bank,
Palladam Road, Tirupur 641604,
Tamil Nadu
Tel: 0421 - 2215977
Email id: tirupur@canfinhomes.com

107. Trichur

CAN FIN HOMES LTD
1st Floor, Marva Arcade,
Machingal Lane, M G Road,
Trichur-680001
Tel: 0487-2332421/2331952
Email id: trichur@canfinhomes.com

108. Trichy

CAN FIN HOMES LTD
B-11, 2nd Floor, Star Towers
Thillai Nagar, Trichy-620018
Tel : 0431-2744100/2744200
Email id: trichy@canfinhomes.com

109. Trivandrum

CAN FIN HOMES LTD
No.28/2452, Ground Floor, M G Road
Trivandrum-695001
Tel: 0471-2477446/2461446
Email id: trivandrum@canfinhomes.com

110. Tumkur

CAN FIN HOMES LTD
I Floor, Sri Seetharama Temple Bldg.
Someshwarapura Main Road
Tumkur-572102
Tel: 0816-2251514
Email id: tumkur@canfinhomes.com

111. Udaipur

CAN FIN HOMES LTD
No-101, First Floor, Plot No-643,
Subhash Villa Hiranmagri Sec 13,
Udaipur- 313001
Tel: 0294-2485770
Email id: udaipur@canfinhomes.com

112. Udupi

CAN FIN HOMES LTD
“Shri Malshi” 1st Floor, Court Back Road
Udupi – 576101
Tel :0820 – 2520644
Email id: udupi@canfinhomes.com

113. Varanasi

CAN FIN HOMES LTD
D-58/12, A-2, Second Floor, “Jasmaa’
Complex, Above KsheerSagar, Gandhinagar,
Sigra, Varanasi – 221010
Tel: 0542 2220221
Email id: varanasi@canfinhomes.com

114. Vellore

CAN FIN HOMES LTD
#99D, Vellore Road, Katpadi,
Vellore – 632007
Tel: 0416-2242013
Email id: vellore@canfinhomes.com

115. Vijayawada

CAN FIN HOMES LTD
1st Floor, D No.40-5-19/17, Near Siddhartha
College Bus Stop, Mogalrajpuram,
Vijayawada - 520 010
Tel: 0866-2474781/2481731
Email id: vijayawada@canfinhomes.com

116. Virudhunagar

CAN FIN HOMES LTD
Door No.7/3 B, First Floor, A P V
Complex, Pullukaoorani Road,
Virudhunagar – 626001
Tel: 04562-246566
Email id: virudhunagar@canfinhomes.com

117. Visakhapatnam

CANFIN HOMES LTD
Gnd floor, DN: 48-8-4, Behind Titan
Showroom, Chaitanya College Lane,
Dwarakanagar, Visakhapatnam-530016
Tel: 0891-2746736, 2591167
Email id: visakhapatnam@canfinhomes.com

118. Vizag Steel Plant

CAN FIN HOMES LTD
D.No.31- 27 -56/7, 1st Floor,
Opp. Annapurna Theatre, Urmannapalem,
Visakhapatnam – 530046
Tel: 0891 -2747599
Email id: vizagsteelplant@canfinhomes.com

119. Vizianagaram

CAN FIN HOMES LTD
Plot No. 8 D. No.8-12-5, Ground Floor,
Opp. CTO Office, Siddharthanagar,
Vizianagaram– 535002
Tel: 08922-237599
Email id: vizianagaram@canfinhomes.com

120. Warangal

CAN FIN HOMES LTD
Kandakatla's Gateway, H No.15-11-503 &
504K U Road, Naimnagar,
Hanamkonda Warangal – 506001
Tel: 0870-2442166
Email id: warangal@canfinhomes.com

121. BLR Yelahanka

No.1099, 1st Floor, 1st B Main Road,
16th B Cross, Yelahanka
Bengaluru-560064
Tel: 080-28564502
Email id: yelahanka@canfinhomes.com

122. NCR Ghaziabad

CAN FIN HOMES LTD
C-18, 1st Floor, RDC, Raj Nagar,
Ghaziabad - 201002
Tel: 0120-2825555
Email id: ghaziabad@canfinhomes.com

123. VIJ Gollapudi

CAN FIN HOMES LTD
D No.76-14-95/11, 1st floor,
APSRCT Workshop Road, Bhavanipuram
Vijayawada – 520012
Tel: 0866 - 6888668
Email id: gollapudi@canfinhomes.com

124. JPR Mansarovar

CAN FIN HOMES LTD
23/49, 1st Floor, Near KL Saini Stadium,
Medhyam Marg, Mansarovar,
Jaipur- 302020
Tel :0141-2974555
Email id: mansarovar@canfinhomes.com

List of Affordable Housing Loan Centers

1. Ramnagaram

CAN FIN HOMES LTD
Sadvi Complex, 1st Floor, # 3 1106/624/1,
1st Vivekananda Nagar, B. M. Road,
Ramanagaram – 562159
Tel: 8861027711
Email id: ramanagaram@canfinhomes.com

2. Doddaballapura

CAN FIN HOMES LTD
Shop No.1, Ground Floor, Ganeshappa
Complex, (Near Canara Bank),
Palanajogihalli, Gowribidanur Road,
Mallathhalli, Doddaballapur – 561203
Tel: 080 27622134
Email id: doddaballapur@canfinhomes.com

3. Gobichettipalayam

CAN FIN HOMES LTD
Block C, Room No.23A/3,
1st Floor, Senthankanthan Complex,
Opp TNSTC Depo, Erode Road,
Gobichettipalayam, Erode - 638 476,
Tamil Nadu
Tel: 04285-222446
Email id: gobichettipalayam@
canfinhomes.com

4. Mandideep

CAN FIN HOMES LTD
B-202, First Floor, Indra Nagar,
Mandideep, Bhopal – 462046
Tel: 07480-233922
Email id: mandideep@canfinhomes.com

5. Ghatkesar

CAN FIN HOMES LTD
1 – 130/1, P & T Colony,
Beside Kakatiya Hospital, Medipally,
Ghatkesar - 500098, R R Dist. Telangana
Tel: 7625079230
Email id: ghatkesar@canfinhomes.com

6. Shoranur

CAN FIN HOMES LTD
Malutty Shopping Corner, Post Office Road,
Shoranur, Palakkad
Tel: 0466 2224440
Email id: shoranur@canfinhomes.com

7. Manesar

CAN FIN HOMES LTD
Raheja Square, First Floor, Shop No. F - 14,
Manesar - 122051. Haryana
Tel: 0124-2290152
Email id: manesar@canfinhomes.com

8. Sangareddy

CAN FIN HOMES LTD
Shop No. 6, House No. MIG – 31, Phase II,
Gram Panchayat No. 2 – 66,
Pothireddypally Village,
Sangareddy Mandal - 502001
Medak Dist.
Tel: 08455 277550
Email id: sangareddy@canfinhomes.com

9. Tenali

CAN FIN HOMES LTD
H No.9-94/1, Railway Station Road,
Angalakuduru, Tenali-522 211
Tel: 08644-225838
Email id: tenali@canfinhomes.com

10. Rewari

CAN FIN HOMES LTD
SCO – 119, First Floor, Brass Market
Rewari - 123401, Haryana
Tel: 01274-223015
Email id: rewari@canfinhomes.com

List of Satellite Offices

1. Aluva Satellite Office (Cochin)

CAN FIN HOMES LTD
D.No.352/2, 1st Floor, Alookaran Complex,
Market Road, Aluva – 683101
Tel: 0484 2632826
Email id: aluva@canfinhomes.com

2. Cuddalore Satellite Office (Pondicherry)

CAN FIN HOMES LTD
106, First Floor, Nethaji Road,
Manjakuppam, Cuddalore– 607001
Tel: 04142-232323
Email id: cuddalore@canfinhomes.com

3. Kanchipuram Satellite Office (Sriperembudur)

CAN FIN HOMES LTD
No.44 & 45, 1st Floor,
Saravana Complex, VilakkadiKoil street,
Near Rangaswamy Kulam,
Opp. Anna Library,
Kanchipuram – 631501, Tamil Nadu
Tel: 044 – 27230786
Email id: kanchipuram@canfinhomes.com

4. Batlagundu Satellite Office (Dindigul)

CAN FIN HOMES LTD
5 - 1, Anu Towers, First Floor,
Madurai Main Road,
Near Kalliamman Temple,
Opp. SBI, Batlagundu– 624202
Tel: 04543-245057
Email id: batlagundu@canfinhomes.com

5. Vidyananyapura Satellite Office (Sahakarnagar)

CAN FIN HOMES LTD
101, Ground Floor, II Main, III Cross,
AMS Layout, Vidyananyapura,
Bengaluru – 560097
Tel: 080-23649967
Email id: vidyananyapura@canfinhomes.com

6. Dharwad Satellite Office (Hubli)

CAN FIN HOMES LTD
1, First Floor, Diamond Corner Complex,
Near Maruti Temple, Line Bazar,
Dharwad– 580001
Tel: 0836-2443507
Email id: dharwad@canfinhomes.com

7. Attibele Satellite Office (Electronic City)

CAN FIN HOMES LTD
Site No.1, D-1014, First Floor,
Opp. Syndicate Bank, Attibele Circle,
Sarjapur Road, Attibele,
Bengaluru – 562107
Tel: 080-27844440
Email id: attibele@canfinhomes.com

8. Yeshwanthpur Satellite Office (Cunningham Road)

CAN FIN HOMES LTD
S No.7, No.580, Ground Floor,
Ramachandra Complex, 9th Cross,
1st Main, Yeshwanthpur,
Bengaluru – 560022
Tel: 080-23370023
Email id: yeshwanthpur@canfinhomes.com

9. Durg Satellite Office (Raipur)

CAN FIN HOMES LTD
Trilok Plaza, Mezzanine Floor,
Opp Dr. Dhillon's Clinic, Durg,
Gurudwara Road, Chhatisgarh – 491001
Tel: 0788 -4083067
Email id: durg@canfinhomes.com

10. Bannerghatta Road Satellite Office (Jayanagar)

CAN FIN HOMES LTD
No.4-16/44/1, I Floor, Anugraha Building,
Singh Layout, Arekere,
Near Paramount Apts, Bannerghatta Road,
Bengaluru – 560076
Tel: 080 26484338
Email id: bgroad@canfinhomes.com

11. Whitefield Satellite Office (Marathahalli)

CAN FIN HOMES LTD
No.1, 1st Floor, Hagadur Colony,
Immadihalli Main Road,
Near Rama Temple,
Whitefield, Bengaluru – 560066
Tel: 080 28454501
Email id: whitefield@canfinhomes.com

12. Kangeyam Satellite Office (Tirupur)

CAN FIN HOMES LTD
5G, First Floor, Rajaji Street,
Above Indian Bank, Kangeyam, Tirupur Dist
Tel: 04257-221414
Email id: kangeyam@canfinhomes.com

13. Cox Town Satellite Office (Cunningham)

CAN FIN HOMES LTD
47, Ground Floor, Wheeler Road,
Coxtown, Bengaluru – 560005
Tel: 080 25466622
Email id: coxtown@canfinhomes.com

14. Arakkonam Satellite Office (Thiruvallur)

CAN FIN HOMES LTD
No.89/2, First Floor, Gandhi Road – 5,
Arakkonam – 631003
Tel: 04177 238010
Email id: arakkonam@canfinhomes.com

15. Villupuram Satellite Office (Pondicherry)

CAN FIN HOMES LTD
Shop No. 31, Ground Floor, Gubher Plaza,
Trichy Main Road, Villupuram – 605602
Tel: 04146 223234
Email id: villupuram@canfinhomes.com

16. Magadi Road Satellite Office (Vijayanagar)

CAN FIN HOMES LTD
No.85, 1st Floor, SLV Temple Road,
Anjanagara, Magadi Main Road,
Bengaluru – 560091
Tel:080-23486644
Email id: magadiroad@canfinhomes.com

17. Guduvancherry Satellite Office (Tambaram)

CAN FIN HOMES LTD
No. 202, 27E, Ground Floor, GST Road,
Guduvancherry – 603202
Tel: 044-27461224
Email id: guduvancherry@canfinhomes.com

18. Komarpalayam Satellite Office (Erode)

CAN FIN HOMES LTD
299/P, First Floor, Raja Chellam Complex,
Salem Main Road, Near Saravana Theatre,
Komarpalayam – 638183, Namakkal Dist
Tel: 04288 265336
Email id: komarpalayam@canfinhomes.com

19. Gugai Satellite Office (Salem)

CAN FIN HOMES LTD
No.28, 1st Floor, Trichy Main Road,
Opp.Old Prabhat Theatre,
Gugai, Salem – 636006
Tel: 0427-2464600
Email id: gugai@canfinhomes.com

**20. A S Rao Nagar Satellite Office
(Hyd-Taranaka)**

CAN FIN HOMES LTD
1st Floor, D.No:1-8-4/2, North Kamalanagar
Hyderabad – 500 062
Tel: 040-27148161
Email id: asraonagar@canfinhomes.com

**21. Peelameedu Satellite Office
(Coimbatore-Gandhipuram)**

CAN FIN HOMES LTD
No.88, 'D', First Floor, E S Corner,
Avinashi Road, Hope College,
Coimbatore 641004
Tel: 0422-2591563
Email id: peelameedu@canfinhomes.com

**22. Kazhakuttom Satellite Office
(Trivandrum)**

CAN FIN HOMES LTD
No.2, Ground Floor., SS Complex,
Near Police Station
Kazhakuttom, Trivandrum – 695001
Tel: 0471 – 2415446
Email id: kazhakuttom@canfinhomes.com

23. Pithampur Satellite Office (Indore)

CAN FIN HOMES LTD
“Sudarshan” Complex,
Shop No.D.U.G.F.- 50,
Mhow Neemuch Road, Sector No.1, Dhar
Tel: 01292-298273
Email id: pithampur@canfinhomes.com

**24. Oddanchatram Satellite Office
(Dindigul)**

CAN FIN HOMES LTD
276/1 - 9, Sri SriSakthi Complex,
First Floor, Opp: Bus Stand,
Oddanchatram– 624619
Tel: 04553-244196
Email id: oddanchatram@canfinhomes.com

**25. Thirumangalam Satellite Office
(Madurai)**

CAN FIN HOMES LTD
D.No.46/1, HDFC Bank Building,
Opp MEPCO Schlenk Primary School,
Madurai Main Road,
Thirumangalam – 625706, Madurai District
Tel: 04549-282499
Email id: thirumangalam@canfinhomes.com

26. Pudukkottai Satellite Office (Trichy)

CAN FIN HOMES LTD
5520/1, Ground Floor, South 4th Street,
Pudukkottai– 622001
Tel: 04322 230100
Email id: pudukkottai@canfinhomes.com

27. Palwal Satellite Office (Faridabad)

CAN FIN HOMES LTD
First Floor, Ashirwad Plaza,
Opp Nishant Public School Rasolpur Road,
Palwal - 121102
Tel: 01275-240033
Email id: palwal@canfinhomes.com

**28. Thanisandra Satellite Office
(HRBR)**

CAN FIN HOMES LTD
No.1, Ground Floor, 5th Main Road,
Central Excise Layout,
Shivaram Karanth Nagar,
Bengaluru- 560077
Tel:080-28443415
Email id: thanisandra@canfinhomes.com

**29. Neyyattinkara Satellite Office
(Trivandrum)**

CAN FIN HOMES LTD
XII / 504 - E, First Floor, Asif Centre,
Alummoodu, Neyyattinkara
Trivandrum – 695121
Tel: 0471 220117
Email id: neyyattinkara@canfinhomes.com

30. Velur Satellite Office (Karur)

CAN FIN HOMES LTD
No.13(1), First Floor, Old Bypass Road,
Paramithi, Velur – 638182
Tel: 04268-222068
Email id: velur@canfinhomes.com

31. Thiruverambur Satellite Office (Trichy)

CAN FIN HOMES LTD
No.9 & 10, Riyaz Complex,
1st Floor,Erumbeswarar Nagar,
Trichy – 620013
Tel:- 0431 2511100
Email id: thiruverambur@canfinhomes.com





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
