

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

Our country has witnessed several structural and regulatory changes in the recent past viz., the Companies Act, 2013 and SEBI's Listing Obligations and Disclosure Requirements Regulations, etc., which have contributed significantly in strengthening governance norms and in increasing accountability by way of disclosures. The performance evaluation of directors, independence of directors, responsibilities of Board and Committees, accountability to stakeholders, timely disclosure norms, risk management, related party transactions, disclosure of material events, etc. have been made effective.

The Corporate governance arrangements are those through which an organisation directs and controls itself and the people associated with it by establishing standards and codes of conduct. Good Corporate Governance is a way of life that necessitates taking into account the stakeholders interests in every business decision.

CORPORATE GOVERNANCE AT CFHL

The Company, the Board, the promoters and the employees have embraced statutory and regulatory changes towards strengthening corporate governance. The Company's corporate governance philosophy encompasses enhancement of value for all stakeholders 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 a strong commitment to the principles that underline the effective Corporate Governance. The Company's Board oversees how the management serves and protects the long-term interests of the stakeholders. Over the past 30 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.

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

BOARD OF DIRECTORS

The Board consists of eight members with an optimum combination of executive and non-executive directors, with 2 women 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 in their niche areas and persons of eminence with vast experience in the fields of banking, housing finance, audit, management, HR, risk management, resources, law and other relevant areas. The Board Diversity Policy forms part of the Nomination and Remuneration Policy of the Company, which is available on the website of the Company ([http://www.canfinhomes.com/Investors/corporate governance documents](http://www.canfinhomes.com/Investors/corporate%20governance%20documents)) (path). For link please refer Annexure 9 of Report of Directors.

The Board effectively carries out its responsibilities like providing strategic guidance to the Company, code of conduct

for the executives, disclosure of information about their concerns and interests, adherence to the Code of Conduct etc. 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 other key functions like reviewing the corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives,

monitoring implementation and corporate performance and overseeing major capital expenditures, etc. The Board also monitors and reviews the effectiveness of the 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.

Composition

No.	Name of the Director	Age	DIN	Promoter, Executive, Non-executive, Independent Non-executive, Nominee etc.	No. of shares held # by the Directors as at March 31, 2018
1	Shri K N Prithviraj, Chairman	71	00115317	Independent Non-Executive	Nil
2	Shri S K Hota, Managing Director	51	07491088	Promoter & Executive	Nil
3	Smt P V Bharathi	58	06519925	Promoter & Non-Executive	Nil
4	Shri S A Kadur	59	06426985	Promoter & Non-Executive	Nil
5	Shri T V Rao	65	05273533	Independent Non-Executive	Nil
6	Shri G Naganathan, FCA	55	00423686	Independent Non-Executive	Nil
7	Smt Bharati Rao	69	01892516	Independent Non-Executive	Nil
8	Shri Shreekant M Bhandiwad*	48	08120906	Promoter & Executive	Nil

*Appointed w.e.f. April 28, 2018

No. of Shares of Can Fin Homes Ltd.

The Chairman of the Board Shri K N Prithviraj is an Independent non-executive Chairman. Shri S K Hota is the Managing Director (Promoter & Executive Director) of the Company since May 19, 2016. Smt P V Bharathi and Shri S A Kadur are Non-executive Promoter Directors and Shri T V Rao and Shri G Naganathan are Independent non-executive Directors on the Board. The Board has appointed Smt Bharati Rao as an additional director (Independent) w.e.f. September 05, 2017 and Shri Shreekant M Bhandiwad, DGM of Canara Bank as a whole-time director designated as Dy. Managing Director w.e.f. April 28, 2018.

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 Bharathi is an Executive Director of Canara Bank; Shri S A Kadur and Shri S K Hota are General Managers in Canara Bank; and Shri Shreekant M Bhandiwad is a Dy. General Manager in Canara Bank, the promoter of the Company.

Attendance of each Director etc.

The details of the Board of Directors in terms of their attendance, number of meetings attended/held during the financial year ended March 31, 2018, sitting fees paid and their attendance at the AGM are as under:

Attendance of each Director etc.

Name of the Director	Board Meetings Attended/ held during their tenure in CFHL	Sitting Fee Paid (₹)	Attendance at the last Annual General Meeting held on June 28, 2017
Shri K N Prithviraj, Chairman	10/10	2,00,000	Attended
Shri S K Hota, Managing Director	10/10	NA	Attended
Smt P V Bharathi	05/10	1,00,000#	Not Attended
Shri S A Kadur	07/10	1,40,000#	Attended
Shri T V Rao	09/10	1,80,000	Attended
Shri G Naganathan, FCA	10/10	2,00,000	Attended
*Smt Bharati Rao	05/05	1,00,000	-
**Shri Shreekant M Bhandiwad	-	-	-

*Appointed as an Additional Director (Independent) on Board w.e.f September 05, 2017

**Appointed w.e.f. April 28, 2018

#Sitting fee paid to Canara Bank

Number of Directorships and Memberships in Committees etc. as on March 31, 2018.

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	6 [^]	5	1	3	3	0	Nil
Shri S K Hota, Managing Director	1	1	Nil	1	Nil	1	Nil
Smt P V Bharathi	9	2	7	2	7	0	Nil
Shri S A Kadur	1	1	Nil	1	Nil	1	Nil
Shri T V Rao	10	9	1	7	3	6	2
Shri G Naganathan, FCA	1	1	Nil	1	Nil	2	1
Smt Bharati Rao	10	9	1	7	3	8	Nil

#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 membership includes Chairmanship

@ In terms of Reg.17A (2) of SEBI (LODR) Regulations, 2015, as amended vide notification dated May 09, 2018, the Count for number of listed entities shall be only those whose equity shares are listed on Stock Exchange.

[^] The director is an Administrator in Specified Undertakings of UTI (Govt. Body).

Number of meetings of Board of Directors

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

The agenda, Board notes, including explanatory notes are circulated to all the directors well in advance. Depending upon the need, executives of the Company and senior management are invited to the meetings of the Board to provide additional inputs/clarifications on the subject being discussed by the Board.

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

The Board of Directors of your Company met 10 times during the FY17-18: April 25, 2017, May 15, 2017, June 23, 2017, July 21 2017, September 05, 2017, September 27, 2017, October 24, 2017, December 06, 2017, January 23, 2018 and March 05, 2018. The Board met on April 28, 2018 to approve the annual audited financial results of the Company for the year ended March 31, 2018.

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

Independent Directors

Independent Directors play a key role in the decision-making process of the Board. They are committed to act in what they believe are in the best interests of the Company and oversee the performance of the management periodically. The Company and its Board benefits immensely from the in-depth knowledge, experience and expertise of its Independent Directors in achieving its desired level of business performance and good corporate governance.

The 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, inter-alia, the performance of the Board as a whole, the Committees, the Managing Director, the non-independent directors and the Chairperson. They also assess the quality, quantity and timeliness of the flow of information from the Management to the Board. The evaluation formats of the Board, Committees and directors are prepared considering the guidance note on Board Evaluation vide SEBI Circular No. SEBI/HO/CFD/ CMD/P/2017/004 dated January 05, 2017.

Appointment/re-appointment / resignations of Directors

The Board of Directors has appointed Smt Bharati Rao, on the Board of the Company with effect from September 05, 2017 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.

The Board of Directors has appointed Shri Shreekant M Bhandiwad, Dy. General Manager of Canara Bank, as an additional director and Whole-time Director designated as Deputy Managing Director w.e.f., April 28, 2018 pursuant to Sections 152, 161, 178, 196 to 198, 203 and all other applicable provisions of the Companies Act, 2013 and related rules read with Schedule V.

Pursuant to the provisions of the Companies Act, 2013, Shri S A Kadur, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Shri S A Kadur, is a Director of the Company since June 07, 2013. At present, Shri S A Kadur, is the General Manager of Canara Bank.

Brief profiles of Smt Bharati Rao, Shri Shreekant M Bhandiwad and Shri S A Kadur, are provided in page 21 and 22 of this Annual Report.

Agenda relating to appointment of Smt Bharati Rao as an Independent Director, appointment of Shri Shreekant M Bhandiwad as Whole-time Director and re-appointment of Shri S A Kadur, 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 declarations as required under the provisions of Companies Act, 2013, SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016.

Responsibilities of the Board

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

The Board reviews the legal compliance reports on a quarterly basis to ensure statutory/regulatory compliances and also the steps taken for rectifying the instances of delayed compliances or non-compliances, if any.

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

The Board performs all its key functions and discharges its duties and responsibilities, as required under the SEBI regulations, Companies Act, NHB Directions and such other law as applicable.

The Board has laid down the code of conduct for all its members, including independent directors and Senior Management personnel of the Company. It also evaluates the Independent Directors including the performance and fulfillment of criteria of independence.

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

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

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 FY17-18 are placed on the website of the Company at [http://www.canfinhomes.com/Investors/Corporate Governance documents \(path\)](http://www.canfinhomes.com/Investors/Corporate Governance documents (path)). For related link please refer Annexure 9 of the Report of Directors.

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/Statutory changes which affect/concern the Company, Company policies, internal controls, investor relations etc. were made at the various Committee/ Board Meetings of the Company.

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.

Committees of the Board

The Board has constituted six Committees as of date viz. Audit Committee, Nomination Remuneration & HR 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.

AUDIT COMMITTEE (AC)

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

Brief description of terms of reference

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

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; recommendation for appointment, remuneration and terms of appointment of auditors of the Company; approval of payment to statutory auditors for their services; reviews, with the management, the quarterly and annual financial statements and limited review/ auditor's report thereon including report on adequacy of internal financial control before submission to the Board for approval, reviews and monitors the auditor's independence and performance and effectiveness of audit process.

The Audit Committee also reviews the matters required to be included in the Directors' Responsibility Statement, to be included in the Board's report in terms of section 134(3)(c) of

the Companies Act, 2013; Changes, if any, in accounting policies and practices and reasons for the same; Major accounting entries involving estimates based on the exercise of judgement by management; Adjustments, if any, made in the financial statements arising out of audit findings; Statement of uses / application of funds raised to ensure that the funds are utilized for purposes stated in the offer document;

It also reviews the compliances with listing and other legal requirements relating to financial statements; Disclosure of any related party transactions; Opinion(s) in the draft audit report, if any; Scrutiny of inter-corporate loans and investments; Valuation of undertakings or assets of the Company wherever it is necessary; Evaluation of Internal Financial Controls and Risk Management systems; Reviewing, with the management, performance of Statutory and Internal auditors, adequacy of the Internal Control Systems; Reviewing the adequacy of Internal Audit function; Discussion with the Internal Auditors of any significant findings and follow up thereon; Review the functioning of the Whistle Blower Mechanism; Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of the Audit Committee and other details:

During the year the Audit Committee met 7 times - on April 24, 2017, July 21, 2017, October 23, 2017, October 24, 2017, December 06, 2017, January 22, 2018 and January 23, 2018. The maximum interval between two meetings did not exceed 120 days as prescribed under Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015. 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:

Composition of the Audit Committee and other details:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fee Paid (₹)
Shri G Naganathan, FCA, Chairman (Independent)	7/7	70,000
Shri S A Kadur, Member (Promoter)	6/7	60,000*
Shri T V Rao, Member (Independent)	7/7	70,000
Smt Bharati Rao, Member (Independent) w.e.f October 25, 2017	3/3	30,000

*Sitting fee paid to Canara Bank

Shri G Naganathan, FCA, the Chairman of the Committee was present at the 30th Annual General Meeting of the Company and answered shareholder's queries.

The Company Secretary is the Secretary to the Audit Committee.

NOMINATION, REMUNERATION & HR COMMITTEE (NRC)

Brief description of terms of reference:

The Nomination, Remuneration & HR Committee constituted by the Board comprise four Non-Executive directors, of which three including the Chairman are Independent Directors. The Board has authorised the Committee with clear roles and responsibilities in terms of the provisions of the Companies Act and rules made thereunder and also with those set out in the SEBI (LODR) Regulations, 2015 and HFCs Corporate Governance (NHB) Directions, 2016, as amended from time to time. The Nomination and Remuneration policy of the Company, duly approved by the Board, covers the criteria for determining qualifications, positive attributes and independence of a Director, evaluation of Independent Directors and the Board, authorisation to identify persons who are qualified to become Directors, and who may be appointed in senior management, recommending to the Board their appointment/removal and also the remuneration policy. The NRC also reviews the HR matters.

The NRC reviews the information, declarations and undertakings given by the existing and proposed Director(s) giving additional information in the prescribed format in terms of 'Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016'. The NRC also ensures that the deeds of covenants are signed by the Directors in the format prescribed.

The Nomination and Remuneration Policy of the Company is available on the website of the Company at <http://www.canfinhomes.com/>

Investors/Corporate Governance documents (path). For related link please refer Annexure 9 of Report of Directors.

Nomination policy, among other things, includes:

- i) Laying down the criteria which shall form the basis for enabling the Nomination and Remuneration committee to identify persons who are qualified to become Directors of the Company, including Board Diversity. As per the Policy, the formulation of such criteria shall be aimed at determining qualifications, expertise, track record, integrity, positive attributes, independence of a Director and other 'fit and proper' criteria at the time of appointment and on a continuing basis.
- ii) Laying down the criteria which shall form the basis for enabling the Nomination 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 NRC.

The Remuneration policy, among other things, covers:

- I. Remuneration for the Directors, Key Managerial Personnel and other employees of the Company.
- II. The Remuneration to the employees of CFHL including the Senior Management Personnel (SMP) in the form of incentives, performance-based incentives, viz. cash incentive, employee stock option scheme, ex- gratia, etc. either fixed or variable in nature, subject to statutory guidelines and Staff Service Regulations/ HR policies approved by the Board.

Composition of the Nomination and Remuneration Committee and other details:

Members	Number of meetings attended/ held during the tenure of the member	Sitting Fee Paid (₹)
Smt Bharati Rao, Chairperson (Independent) w.e.f. October 25, 2017	2/2	20,000
Smt P V Bharathi, Member (Promoter)	4/4	40,000*
Shri T V Rao, Member (Independent)	4/4	40,000
Shri G Naganathan, Member (Independent)	4/4	40,000

*Sitting fee paid to Canara Bank

Shri T.V. Rao, Chairman (Independent) upto October 24, 2017

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 NRC.

Remuneration of Directors

For the financial year ended March 31, 2018, except for the Managing Director there were no other Executive Directors on the Board of the Company. The Board has appointed Shri Shreekanth M Bhandiwad, DGM of Canara Bank as a Whole-time Director w.e.f. April 28, 2018, subject to approval by members at the ensuing Annual General Meeting. The remuneration paid to the Managing Director was as approved by the members at the Annual General Meeting of the Company held in 2017 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, bonus, stock options, pension etc. Managing Director: Shri. S.K Hota. The remuneration package for FY18 includes; salary - ₹16,97,135; Incentive - ₹3,14,372; Provident Fund - ₹98,284.
- (ii) Details of fixed component and performance linked incentives, alongwith the performance criteria The performance linked incentive given for FY18 was ₹3,14,372/-. The criteria includes Qualitative and Quantitative parametres. Quantitative: Fresh

approvals, Disbursements, growth in loan book, NHL, Deposits, Gross NPA, PAT, NIM, ROA & ROE. Qualitative: Leadership & brand building, HR, IT & Other initiatives.

- (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.

STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)**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, for reasons including non-receipt of dividends, Annual Reports etc., steps taken by the Company for settlement of unclaimed dividends, compliance with the applicable provisions of the Companies Act, 2013 and various other statutes.

Composition of the Stakeholders' Relationship Committee and other details:

During the year, the Stakeholders' Relationship Committee met 5 times, viz. April 24, 2017, July 21, 2017, October 23, 2017, December 28, 2017 and January 22, 2018. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

Composition of the Stakeholders' Relationship Committee and other details:

Members	Number of meetings attended/held during the tenure of the member	Sitting Fee Paid (₹)
Shri T V Rao, Chairman (Independent)	5/5	50,000
Shri S K Hota, Member (Managing Director)	5/5	Nil
Shri G Naganathan, FCA, Member (Independent)	4/5	40,000
Smt Bharati Rao, Member (Independent) (w.e.f. October 25, 2017)	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 5 complaints were received and all the complaints stand resolved as at the end of the financial year ended March 31, 2018 (SEBI SCORES).

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

During the year, the Corporate Social Responsibility (CSR) Committee met 2 times on December 06, 2017 and March 05, 2018. The particulars of members of the Committee, number of meetings attended/held during the tenure of a particular Director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

CSR Committee

Members	Number of meetings attended/held during the tenure of the member	Sitting Fee Paid (₹)
Shri K N Prithviraj, Chairman (Independent)	2/2	20,000
Shri S K Hota, Member (Managing Director)	2/2	Nil
Shri G Naganathan, Member (Independent)	2/2	20,000
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director) (w.e.f. April 28,2018)	-	-

The Company Secretary is the Secretary to the Committee.

The Company has focused 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, providing medical equipment/instruments to Blind Schools and aided hospitals, 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 Company, during the year has spent some amount in promoting the green initiative, by planting 300 saplings in Akshaya Nagar, Bengaluru, and also has been distributing saplings to each of our home loan customers.

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.

RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee comprise Five members – four 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 and appraises the Board of Directors.

Further, the Audit Committee and the Board of Directors review the key risks associated with the business of the Company, the

procedures are in place to assess the risks and the mitigation mechanisms.

During the year the Risk Management Committee met 3 times - on May 14, 2017, November 18, 2017 and March 05, 2018. The particulars of members of the Committee, number of meetings

attended/held during the tenure of a particular director, attendance of the members at the meetings and the sitting fee paid are mentioned hereunder:

The Company Secretary is the Secretary to the Committee.

Risk Management Committee

Members	Number of meetings attended/held during the tenure of the member	Sitting Fee Paid (₹)
Smt P V Bharathi, Chairperson (Promoter)	3/3	30,000*
Shri T V Rao, Member (Independent)	3/3	30,000
Smt Bharati Rao, Member (Independent)	2/2	20,000
Shri Shreekant M Bhandiwad, Member (Dy. Managing Director)	-	-
Smt Shamila M, Dy. General Manager	3/3	Nil

*Sitting fee paid to Canara Bank

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 December 28, 2017. 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

Management Committee

Members	Number of meetings attended/held during the tenure of the member	Sitting Fee Paid (₹)
Shri S K Hota, Chairman (Managing Director)	1/1	NIL
Shri S A Kadur, Member (Promoter)	1/1	10,000*
Shri T V Rao, Member (Independent)	1/1	10,000
Shri Shreekant M Bhandiwad, Member (DMD)	-	-

*Sitting fee paid to Canara Bank

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.

DISCLOSURES

(a) Materially significant related party transactions

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

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

Papers, Non-convertible Debentures, term loans, etc. Further the Company has also been availing the services of Canbank Computer Services Ltd., a subsidiary of the Sponsor Bank, as the Registrar & Share Transfer Agents of the Company (RTA). During the year, the Company has registered itself with the Insurance Regulatory & Development Board of India w.e.f. December 01, 2017 and has entered into Distribution Agreement and Service Level Agreement with Canara HSBC OBC Insurance Company Ltd., (CHOICE), a joint venture company of Canara Bank, for carrying out Insurance agency business and has been earning commission income for the same from CHOICE.

The Company has obtained prior approval/ratification of the shareholders for the material related party transactions which would be entered into or already entered into by the Company with Canara Bank and/or its subsidiaries for an amount not exceeding ₹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, 2018 the overall related party transactions of the Company outstanding with Canara Bank and/or its subsidiaries was ₹2772.06 Crore.

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

The disclosure in compliance with the Accounting Standard on 'Related Party Disclosures' as required under Regulations 34(3) and 53(f) read with Part A Schedule V of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, are disclosed by the Company in the Notes forming part of the financial statements (Note No. 32 at page No. 146 of the Annual Report) and the particulars of such contracts/ arrangements are provided as an annexure to this Report of Directors. This is also in compliance of the HFCs Corporate Governance (NHB) Directions, 2016.

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 [http://www.canfinhomes.com/Investors/corporate_governance_documents\(path\)](http://www.canfinhomes.com/Investors/corporate_governance_documents(path)). and also placed as Annexure to Report of Directors.

(b) Details of non-compliance by listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) 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 2017-18, the Company has complied with requirements as per Para 29 of the Housing Finance Companies (NHB) Directions 2010 except for one instance detailed below, National Housing Bank (NHB) in its regulatory Audit conducted during the financial year FY 2016-17, for FY 2014-15 and FY 2015-16, had raised an issue on the procedure followed by the Company since inception, on valuation of Government Securities under HTM category invested for SLR purpose. NHB vide its letter NHB(ND)/DRS/SUP/9349/2017 dated 19/09/2017 has imposed an aggregate penalty of ₹28,62,708/- under the Provisions of Section 29 of the National Housing Bank Act, 1987 and the same is paid.

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 [http://www.canfinhomes.com/Investors/corporate governance documents](http://www.canfinhomes.com/Investors/corporate%20governance%20documents) (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 FY17-18 or as on March 31, 2018 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 <http://www.canfinhomes.com>, submitted to Stock exchanges on which Equity shares/ Non-convertible debentures of the Company are listed viz., the National Stock Exchange of India Ltd., and the BSE Limited; The Company protects and facilitates the exercise of the rights of the shareholders.
- (iii) Modified opinion(s) in audit report: The Company 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 [http://www.canfinhomes.com/Investors/corporategovernance documents](http://www.canfinhomes.com/Investors/corporategovernance%20documents) (path)

COMPLIANCE WITH THE CODE OF CONDUCT

The Company has adopted the 'Code of Conduct for Directors & Independent Directors' and 'Code of Conduct for Senior Management' of Can Fin Homes Limited. The updated Code incorporates the duties of Independent Directors. The Codes are available on the website of the Company at [http://www.canfinhomes.com/Investors/corporate governance documents](http://www.canfinhomes.com/Investors/corporate%20governance%20documents) (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 FY18. The said declaration has been made as an annexure to the Report of Directors forming part of this Annual Report.

CEO AND CFO CERTIFICATION

In terms of Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations and Disclosure requirements) Regulations, 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 28, 2018 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.

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 2605 numbers of shares of ₹2/- each (521 numbers of shares of ₹10/- each) pertaining to 8 numbers of shareholders outstanding/lying in the suspense account at the beginning of the year;
- (b) Out of 8 shareholders, 1 number of shareholder/(s) approached the Company during the year claiming transfer of 330 shares (66 shares of ₹10/- each) to his demat account;
- (c) 330 shares pertaining to 1 number of shareholder/(s) were transferred to his account as per his claim, during the year;
- (d) 2275 shares of shares of ₹2/- each pertaining to 7 number of shareholders remain outstanding/lying in the suspense account at the end of the year; That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

COMPLIANCE WITH ACCOUNTING STANDARDS

The Company has complied with the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements for the year have been prepared in accordance with Schedule III of Companies Act, 2013, as applicable.

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.

SHAREHOLDING OF NON- EXECUTIVE DIRECTORS

None of the Non-Executive Directors of the Company hold any equity shares of the Company.

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.

SUBSIDIARIES

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

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the mandatory requirements as stipulated under Regulation 27 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 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.

COMPLIANCE

Compliance with mandatory requirements:

The Company has complied with the mandatory requirements as stipulated under Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.

Shri S. Viswanathan, FCS, Practising Company Secretary has conducted Secretarial Audit and his Audit Report 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/> 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

Sd/-
K N Prithviraj
Chairman

Place: Bengaluru
Date : June 02, 2018

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'.

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.

ANNUAL GENERAL MEETINGS (AGMs)

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

Year	Time	Day	Date	Venue
2015	11.00 A.M	Wednesday	July 08, 2015	J.S.S. Shivarathreeswara Centre Auditorium 1st Main, 8th Block, Jayanagar, Bengaluru 560082
2016	11.00 A.M	Wednesday	July 20, 2016	Same as above
2017	11.00 A.M	Wednesday	June 28, 2017	Same as above

SPECIAL RESOLUTIONS PASSED AT THE PREVIOUS 3 ANNUAL GENERAL MEETINGS:

2015	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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
2017	<ol style="list-style-type: none"> Re-appointment of Shri Thallapaka Venkateswara Rao (T V Rao), Independent Director Re-appointment of Shri Kokkarne Natarajan Prithviraj (K N Prithviraj), Independent Director Increasing the borrowing powers of the Board of Directors of the Company from ₹16,000 Crore to ₹20,000 Crore Offer or invitation for subscription for Non-Convertible Debentures (NCD) aggregating to ₹6,000 Crore on private placement

2017 Special resolution through Postal Ballot (Notice dated June 23, 2017):

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Act and Reg.44 of SEBI (LODR) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force) the Postal Ballot Notice was sent to the members of Can Fin Homes Limited to transact the following special business(es) by passing resolutions inter-alia the following special resolutions through Postal Ballot or Electronic voting (e-voting).

1. Alteration in Objects Clause of the Memorandum of Association
2. Alteration in Liability Clause of the Memorandum of Association
3. Adoption of new set of Articles of Association of the Company
4. Alteration in Capital Clause of the Memorandum of Association of the Company

Voting period had commenced on and from July 24, 2017 (Monday) and ended on August 22, 2017 (Tuesday). E-voting facility was also provided to the members. Shri K N Nagesha Rao, FCS, Practicing Company Secretary, FCS No.3000, CP No. 12861, was appointed as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner.

The Company had complied with all the procedural aspects applicable for postal ballot as per the provisions of law cited above and such other applicable provisions.

The Scrutinizer carried out the Scrutiny of all Postal Ballot forms and electronic votes received upto the last date of receipt i.e., August 22, 2017 till 6 P.M and submitted his report dated August 24, 2017. The result of Postal Ballot is as under;

Item no. of the Notice	Particulars of the Resolutions	Type of Resolution	Consolidated (e-Voting and voting through Postal Ballot forms)					Whether resolution was passed or rejected
			No. of votes polled	No. of votes in favour	No. of votes against	% of votes in favour	% of votes against	
1.	Alteration in objects clause of the Memorandum of Association	Special	13,002,053	13,000,456	1,597	99.99	0.01	Passed as Special Resolution
2.	Alteration in Liability clause of the Memorandum of Association	Special	13,001,640	12,999,929	1,711	99.99	0.01	Passed as Special Resolution
3.	Adoption of new set of Articles of Association of the Company	Special	13,000,487	12,897,304	1,03,183	99.21	0.79	Passed as Special Resolution
4.	Sub-division of equity shares of the Company	Ordinary	12,993,631	12,988,776	4,855	99.96	0.04	Passed as Ordinary Resolution
5.	Alteration of capital clause of the Memorandum of Association	Special	13,001,811	12,999,798	2,013	99.98	0.02	Passed as Special Resolution

31ST ANNUAL GENERAL MEETING (AGM)

(a) Date : July 18, 2018 - Wednesday

Time : 11 A.M.

Venue : NIMHANS Convention Centre, Opp. Lakkasandra Bus Stop, Hosur Road, Bengaluru, Kamataka, 560029

Bus Route Nos. from Kempegawda station/Majestic to NIMHANS: Frequent buses - 171, 340A, 342F, 356, 356M, 360B, 365, 365D, 365J, 369D, KBS3A, KBS3C, KBS3E, V356C, V356N, V360B & V365 (Route MAP is made available in the Notice of the AGM).

(b) Financial year is from April 01, 2018 to March 31, 2019

Calendar 2018-19: The probable schedule for holding meetings of the Audit Committee/Board of Directors is as under:

Table-3 Nature of meeting	Purpose	Probable date
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending June 30, 2018	During Second/Third week of July, 2018
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending September 30, 2018.	During Second/Third week of October, 2018
Audit Committee/ Board Meeting	To review, approve and take on record the financial results for the quarter ending December 31, 2018.	During Second/Third week of January, 2019
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, 2019.	During Second/Third week of April, 2019

DATE OF BOOK CLOSURE:

June 15, 2018 Friday to June 20, 2018 Wednesday (both days inclusive)

DIVIDEND PAYMENT:

The Board of Directors of the Company have recommended a dividend of ₹2/- per equity share of face value of ₹2/- each (100%) for the financial year ended March 31, 2018, subject to approval of the shareholders at the ensuing annual general meeting and if declared, will be paid within 7 days.

ENTITLEMENT FOR DIVIDEND:

- (i) For the shares held in physical form: To the shareholders whose names appear on the register of members as at the close of business hours on June 14, 2018.
- (ii) For shares held in electronic form: To the Beneficial owners whose name appear in the statements of beneficial position furnished by the National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on June 14, 2018.

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.

Listing of Debt Securities

The Non Convertible Debentures (NCDs) issued by the companies on private placement are listed on WDM segment of National Stock Exchange of India Limited.

Debenture Trustees	SBICAP Trustees Company Limited 6th Floor, Apeejay House, 3, Dinshaw Wachha Road, Churchgate, Mumbai, 400020 Tel : 022-43025555, Fax : 022-43025500
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LISTING FEE

The listing fees for the year 2017-18 and 2018-19 have been paid to the above Stock Exchanges where the securities of the Company are listed. The Annual Custodial Fees for 2018-19 has been paid within the due date to CDSL and that of NSDL will be settled with in the prescribed due date (August 24, 2018).

During the year, the equity shares of face value of ₹10/- each were sub-divided into equity shares of face value of ₹2/- each as per the amended Memorandum of Association, w.e.f. October 13, 2017.

STOCK CODE

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

By Name: CANFINHOME

By Scrip Code: 511196

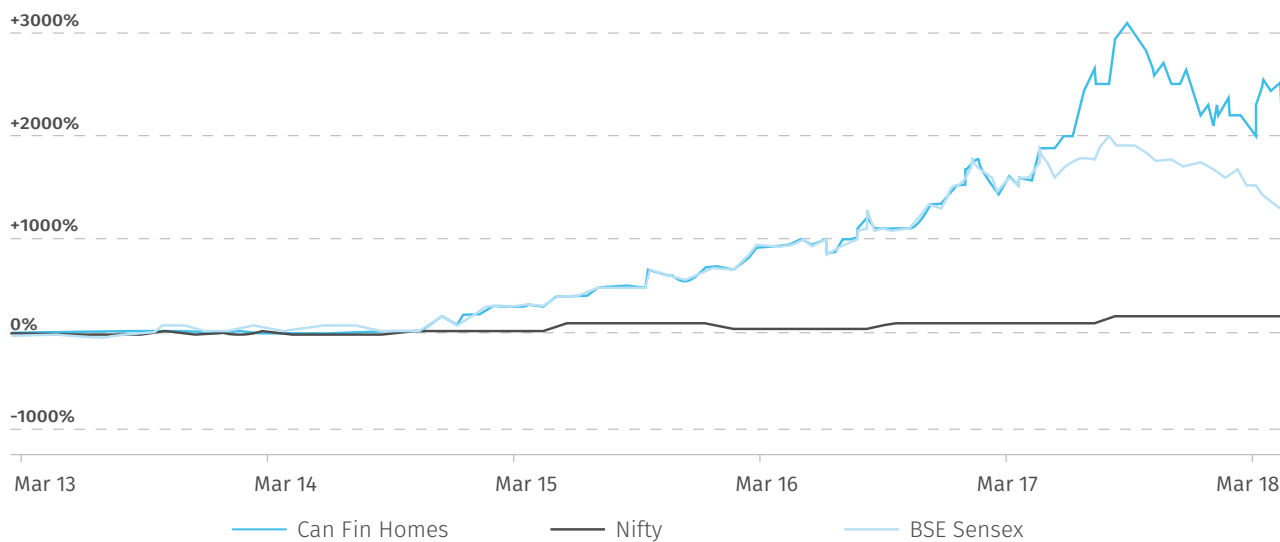
The ISIN allotted to the Equity Shares of the Company is: INE477A01020. National Stock Exchange has added the shares of our Company to the Futures and Options segment w.e.f April 28, 2017.

MARKET PRICE DATA – HIGH/LOW DURING EACH MONTH IN THE LAST FINANCIAL YEAR

(Equity Shares of the face value of ₹10/- each were sub-divided w.e.f. October 13, 2017 into equity shares of ₹2/- each):

Month and Year	National Stock Exchange of India Ltd. (NSE), Mumbai (₹)		Bombay Stock Exchange Ltd.(BSE), Mumbai (₹)	
	High	Low	High	Low
April, 2017	2668.00	2103.60	2,669.55	2,112.00
May, 2017	2899.95	2445.20	2,897.00	2,447.00
June, 2017	3330.00	2678.75	3,333.00	2,712.00
July, 2017	3283.60	3010.10	3,325.00	3,031.20
August, 2017	3129.00	2672.00	3,122.00	2,673.75
September, 2017	2949.45	2540.90	2,946.45	2,545.40
October, 2017	564.70	478.00	565.70	480.60
November, 2017	495.00	430.85	495.00	430.85
December, 2017	512.45	450.00	512.80	450.00
January, 2018	505.45	437.45	505.00	438.10
February, 2018	545.00	402.50	544.90	403.90
March, 2018	557.50	479.00	557.35	480.80

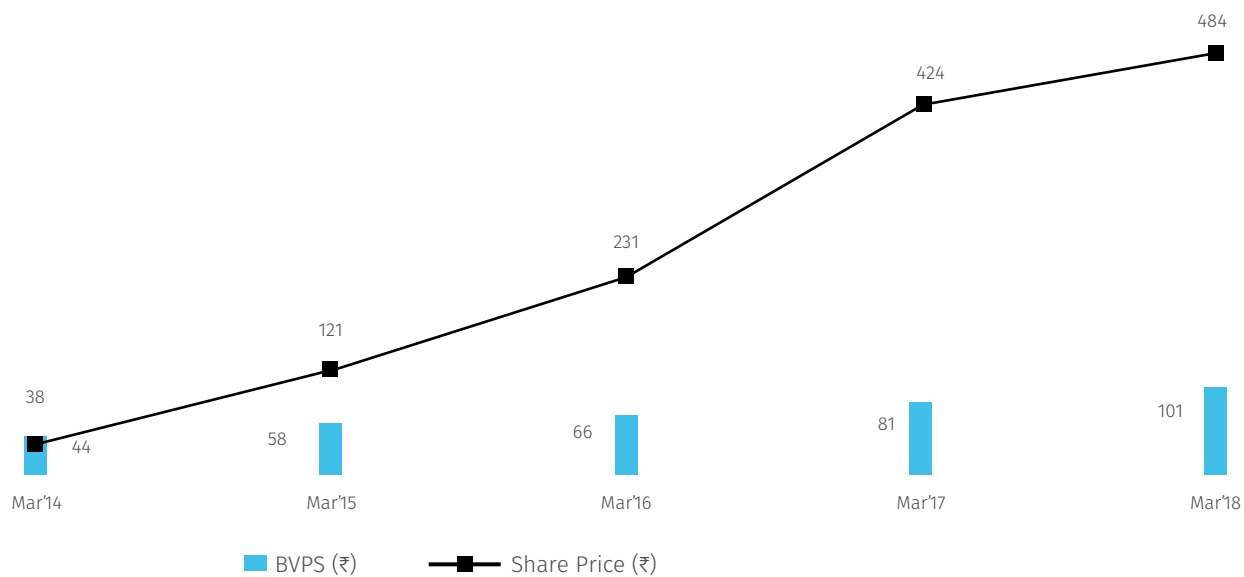
PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX, CRISIL INDEX & NSE NIFTY - 2013-2018



STOCK PRICE AND BOOK VALUE – YEAR TO YEAR – 2014-2018

Book Value per share as on March 31, 2018 = ₹101/- per equity share of face value of ₹2/- per share.

Market Value per share as on March 31, 2018 (High) = ₹507 (NSE), ₹505 (BSE)



Source: BSE

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

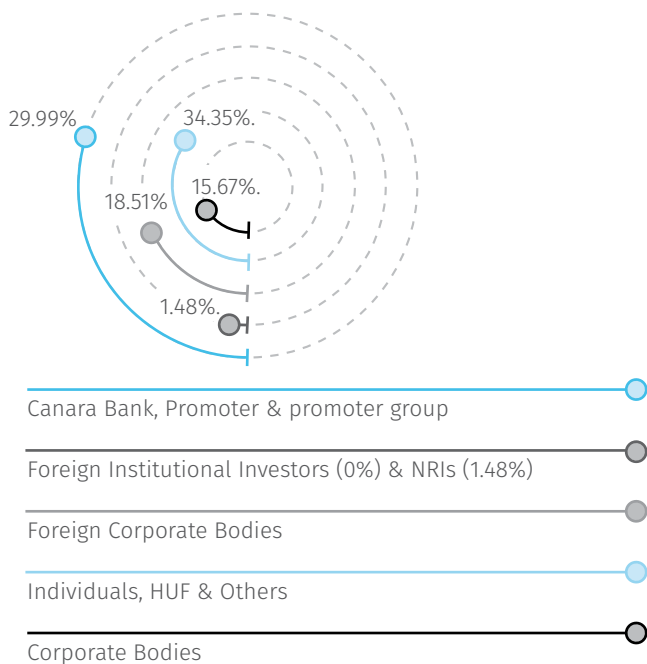
Canbank Computer Services Ltd.,
Unit: Can Fin Homes Ltd., R&T Centre,
No.218, J P Royale, I Floor, 2nd Main,
Sampige Road, (Near 14th Cross),
Malleshwaram, Bengaluru 560003
Tel: 080-23469661/62, 23469664/65
Fax: 080-23469667;
e-mail: canbankrta@ccsl.co.in

SHARE TRANSFER SYSTEM

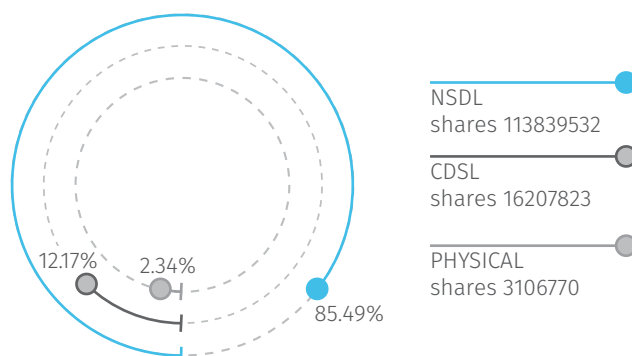
The powers to consider and approve share transfers/ transmissions / consolidation / sub-division, etc. have been delegated by the Board to the Company Secretary and one of the Asst. General Managers at the Registered Office of the Company and such requests are processed once in ten days. However, in 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.

DISTRIBUTION OF SHAREHOLDING AS OF MARCH 31, 2018

Amount (₹)	Members		Shares	
	Number	%	Amount (₹)	%
Upto - 5000	76051	98.73	49577762	18.62
5001 - 10000	493	0.64	6990378	2.62
10001 - 20000	233	0.30	6592124	2.48
20001 - 30000	72	0.09	3482330	1.31
30001 - 40000	43	0.06	2939178	1.10
40001 - 50000	22	0.03	2005612	0.75
50001 - 100000	56	0.07	8251426	3.10
100001 and above	63	0.08	186469440	70.02
Total	77033	100.00	266308250	100

SHAREHOLDING PATTERN AS ON MARCH 31, 2018**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 97.66% of paid up capital is held in dematerialised form and the remaining 2.34% are held in physical form. The securities of the Company are admitted as the 'Eligible Securities' into the Depository system by NSDL and CDSL. The shares of the Company are listed and traded actively on the stock exchanges and hence the liquidity for the shares of the Company is high.



ADDRESS FOR CORRESPONDENCE

Shareholder's correspondence may please be addressed to the Registrar & Share Transfer Agents at the above mentioned address. They may also contact Board Secretariat Dept., Can Fin Homes Ltd., Registered Office, 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bengaluru – 560004. (Tel: 080 26564259; Fax: 080 26565746);

E-mail: investor.relationship@canfinhomes.com

MEANS OF COMMUNICATION TO THE SHAREHOLDERS

The Company has about 77,033 shareholders all over India as on March 31, 2018 as against 41,012 as on March 31, 2017.

The means of communication to the shareholders includes;

(a) Quarterly Results - The Company, immediately after conclusion of the meetings of the Board of Directors, within the prescribed time, uploads the quarterly/Annual financial results on the website "NEAPS" of National Stock Exchange of India Limited and "Listing Centre" of BSE Limited and simultaneously uploads the same on the Company's website <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 quarters 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 2017-18 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.

UNCLAIMED DIVIDEND

Pursuant to the provisions of under Sections 124 and 125 of the Companies Act, 2013, any money transferred to the unpaid Dividend Account of the Company, which remains unpaid for a period of 7 years, shall be transferred to IEPF.

In terms of the said provisions, the due date for transfer of unclaimed dividend amount to IEPF is as under:

Dividend-relevant years	Dividend Per Share (Face value of ₹10) (₹)	Balance in unpaid dividend account as on March 31, 2018 (₹)	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)*
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
2016-17	10.00	3551000.00	1.33	28.06.2017	28.06.2024

PS.: Members of the Company can claim the unpaid dividend, if any, from the Company before the respective due dates of transfer to IEPF as mentioned above. As per Section 124(4) of the Companies Act, 2013 any person claiming to be entitled to any money transferred to IEPF may apply to the IEPF Authority for the payment of money claimed.

TRANSFER OF SHARES TO IEPF DEMAT ACCOUNT

In terms of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and refund) Rules, 2016 (notified on September 05, 2016) and the related Amended rules, 2017 (notified on October 16, 2017) our Company is required to transfer all the shares, in respect of which dividend amounts have not been paid or claimed for 7 consecutive years, to 'IEPF Demat Account' opened with the Depository for the purpose by the Company.

In terms of the above Rules, reminders dated September 24, 2016, December 02, 2016 and April 13, 2017 were sent by the Company to about 400 shareholders who have not claimed their dividends for a consecutive period of 7 years, informing that their shares will be transferred to IEPF suspense account on the prescribed due dates, if they do not place their claim for unclaimed dividend amounts before the Company. Finally, within the prescribed due date the Company has transferred 248050 Nos. of equity shares pertaining to 364 shareholders were transferred by the Company to IEPF. Your Company has provided the IEPF Rules, the paper notifications issued and a list of the shareholders, whose shares have been transferred to IEPF in the Investor Page of the website of the Company. Any shareholder can claim back his shares by filing the claim in the prescribed form (E-form IEPF-5).

ISSUE OF DUPLICATE DIVIDEND WARRANTS

A duplicate dividend warrant can be issued after the expiry of the validity period of the original warrant after complying with the simple prescribed procedural formalities. Shareholders who have lost their warrants/where the warrants are stale (older than 3 months) may write to RTA for revalidation.

BANK ACCOUNT PARTICULARS

SEBI has issued a Circular CIR/MRD/ DP/10/2013 dated March 21, 2013 [in the light of developments in the field of electronic payment system by various modes viz., National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) etc.,] whereby it has been made mandatory for the Companies to maintain requisite bank details of their investors.

In terms of the said circular, the Company has been making remittances, if any, to members through bank account details as sought from NSDL/ CDSL (demat accounts) and to the account particulars furnished to the Company/RTA by the physical holders. Only in cases where either bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code) etc. are not available or electronic payment instructions have failed or have been rejected by the bank, the Company has sent letters to shareholders requesting for modification of Bank account particulars with our RTA/ Depository Participant Accounts. Where the details are not provided, then dividend payments are made to the investors using physical instruments.

NOMINATION

Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, individual/joint members of the Company may at any time, nominate in Form No.SH-13, any person as his/ her nominee in whom the security shall vest in the event of his/her death. Only individual shareholder(s) applying for/holding shares on his/ her behalf can make a nomination. If the shares are held jointly, all the holders shall together nominate an individual person as their nominee. Nomination stands automatically rescinded on transfer/ dematerialisation of shares.

The said form is made available on the website of the Company in 'Investor page'. Shareholders holding shares in dematerialised form are requested to contact their respective depository participants. Shareholders holding shares in physical form are requested to submit the Form to the RTA.

FOLIO CONSOLIDATION

Shareholders holding shares under more than one folio may write to the Company or its RTA to consolidate their folios. In case of joint holdings, even if the order of names is different, shareholders can have them transposed without payment of stamp duty by sending a letter duly signed by all the shareholders. This will facilitate safekeeping and save cost at the time of dematerialisation. The above would be subject to verification of the signature(s) of the concerned shareholders.

SHAREHOLDING PATTERN OF THE COMPANY AS OF MARCH 31, 2018

Sl. No	Particulars/ Category of Shareholder	No. of Shareholders	Total number of shares	Total shareholding as % of total No. of equity share holdings (%)	No. of equity shares in demat form	Total demat shareholding as % of total No. of equity share holdings (%)
1	Promoter and Promoter Group	1	39930365	29.99	39930365	29.99
2	Mutual Funds/UTI	21	3992414	3.00	3991414	2.99
3	Financial Institutions/Banks	4	110886	0.08	110886	0.08
4	Foreign Institutional Investors	0	0	0.00	0.00	0.00
5	Bodies Corporate	1171	20861970	15.67	20816970	15.63
6	Individuals	72284	39576214	29.72	36545829	27.45
7	Trust	6	13256	0.01	13256	0.01
8	Director & their relatives	0	0	0.00	0.00	0.00
9	Non Resident Indians	2304	1968307	1.48	1958307	1.47
10	Clearing members	139	794138	0.60	794138	0.60
11	Hindu Undivided Families	1022	982140	0.74	982140	0.74
12	Employee shareholders	18	25685	0.02	7300	0.0054
13	Limited Liability Partnership/ Qualified Foreign Investor	0.00	0.00	0.00	0.00	0
14	Foreign Financial Institution	1	2000	0.00	0	0.00
15	Foreign Corporate Bodies	61	24648700	18.51	24648700	18.51
16	Foreign Nationals	0	0	0.00	0	0.00
17	IEPF Authority	1	248050	0.19	248050	0.19
	Grand Total	77033	133154125	100	130047355	97.66

SHAREHOLDERS HOLDING MORE THAN 1% OF THE SHARES

Sl. No	Name of the shareholder	No. of shares	%
1	Canara Bank	39930365	29.99
2	Caladium Investment PTE Ltd	17904245	13.45
3	Chattisgarh Investments limited	12873055	9.67
4	Sarda Energy & Minerals Limited	1500000	1.13

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.

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compsec@canfinhomes.com