



CIN – L85110KA1987PLC008699

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **TWENTYSEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CAN FIN HOMES LTD.,** will be held at 11 A.M. on Wednesday the July 30, 2014 at the J.S.S. Shivarathreeshwara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bengaluru-560 082, to transact the following business:

ORDINARY BUSINESS

Agenda No.1- Adoption of accounts

To receive, consider and adopt the audited financial statements, including Balance Sheet as at March 31, 2014 and statement of the Profit and Loss account for the year ended that date together with the Reports of the Directors and Auditors.

Agenda No.2 - Declaration of dividend

To declare a dividend for the financial year ended March 31, 2014.

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

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

Agenda No.4 – Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and all other applicable provisions, if any, of the Companies Act, 1956) and rules made thereunder, M/s.K P Rao & Co., Chartered Accountants are hereby re-appointed as statutory auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors, applicable taxes thereon and reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting audit of the accounts of the Company.

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

Special Business

AS ORDINARY RESOLUTION(S)

Agenda No.5 – Appointment of Shri.T.V.Rao as a Director

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

“RESOLVED that in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Shri.T.V.Rao (holding DIN 05273533) who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 (corresponding Section 161 of the Companies Act, 2013) and Article 22 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, is hereby appointed as an Independent Director of the Company to hold office for a consecutive period of 3 years from date of this Annual General Meeting until the conclusion of the Annual General Meeting of the year 2017.”

Agenda No.6 – Appointment of Shri.K.N.Prithviraj as a Director

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

“RESOLVED that in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Shri.K.N.Prithviraj (holding DIN 00115317) who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 22 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, is hereby appointed as an Independent Director of the Company to hold office for a consecutive period of 3 years from date of this Annual General Meeting until the conclusion of the Annual General Meeting of the year 2017.”

Agenda No.7 – Acceptance of deposits from public

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

“RESOLVED that the consent of the Company is hereby accorded to the Board of Directors of the Company, in pursuance of the Housing Finance Companies (NHB) Directions, 2010 issued under National Housing Bank Act, 1987 and guidelines issued from time to time and all other applicable provisions of the Companies Act, 2013 and the rules made there under, as applicable, for acceptance of deposits from public and others, Provided that the total amount upto which aggregate money(ies) borrowed by the Board of Directors of the Company together with the deposits so accepted from the public and others shall not exceed the limit approved by the Company in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013”.

AS SPECIAL RESOLUTION(S)

Agenda No.8 – Increasing the borrowing powers of the Board of Directors of the Company from ₹10,000 Crore to ₹12,000 Crore.

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

“RESOLVED that in supersession of the earlier resolution(s) passed at the Twentysixth Annual General Meeting of the Company held on August 07, 2013, the consent of the Company is hereby accorded under the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors of the Company to borrow from time to time any money(ies) as they deem requisite for the purpose of the business of the Company, notwithstanding that the money(ies) to be borrowed together with money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital and free reserves of the Company, Provided that the total amount upto which monies borrowed by the Board of Directors of the Company shall not exceed ₹12,000 Crore (Rupees Twelve Thousand Crore only), at any one time”.

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

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

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

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

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

“RESOLVED that subject to the provisions of Section 42 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Issue and Listing of Debt Securities) Rules, 2008, Directions/Guidelines issued by the National Housing Bank/ Regulators or any other statutory authorities from time to time, including any amendment, modification, variation or re-enactment thereof, the approval of the Members of the Company is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include any Committee thereof) and the Board is hereby authorised to offer or invite/issue subscription for Non-Convertible Debentures (NCDs) upto an amount of ₹2,500 Crore (Rupees Two Thousand Five Hundred Crore only) on private placement basis, in one or more tranches, during the period of one year commencing from the date of this meeting until the conclusion of the next Annual General Meeting.

FURTHER RESOLVED that the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of such securities including the above said Non-Convertible Debentures, number of securities, number of tranche(s), to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription for such securities, deemed date(s) of allotment, exercise 'PUT' and 'CALL' option, securities for the issue, if any, redemption and all other terms and conditions relating to the issue of the said securities on private placement basis or delegate the above powers to Committee(s) of the Board or such other Committee(s) duly constituted for the purpose.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto.

FURTHER RESOLVED that the Board is hereby authorised to delegate all or any of the powers herein conferred to any director(s) and/or officers(s) of the Company, to give effect to the resolution(s)".

Agenda No.11 – Offer or invitation for subscription for Tier-II Subordinated Bonds aggregating to ₹300 Crore on private placement.

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

"RESOLVED that subject to the provisions of Section 42 of Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and all other applicable provisions, if any, of the said Act, Directions/Guidelines issued by the National Housing Bank/Regulators or any other statutory authorities from time to time, the Board of Directors of the Company are hereby authorised to offer or invite subscription for Tier-II Sub-ordinated Bonds upto an amount of ₹300 Crore (Rupees Three Hundred Crore only), on private placement basis for a period of one year from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

FURTHER RESOLVED that the Board of Directors of the Company are hereby authorised to take decision(s) about the timing of the issue(s) of the said Tier-II Sub-ordinated Bonds, number of securities, number of tranche(s), to be issued under each such tranche, tenure, coupon rate(s), pricing of the issue, date(s) of opening and closing of the offers/invitations for subscription for such Bonds, deemed date(s) of allotment, securities for the issue, if any, redemption and all other terms and conditions relating to the issue of the said Bonds on private placement basis or delegate the above powers to Committee(s) of the Board or such other Committees duly constituted for the purpose.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto.

FURTHER RESOLVED that the Board is hereby authorised to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company, to give effect to the resolution(s)".

By Order of the Board of Directors

Sd/-

K.S.SATHYAPRAKASH

Company Secretary

Place : Bengaluru

Date : June 04, 2014

Registered Office :

No.29/1, I Floor,

Sir M N Krishna Rao Road

Basavanagudi, Bengaluru – 560 004

CIN: L85110KA1987PLC008699

NOTES

1. The Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **Voting through electronic means (e-voting):** Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 read with Clause 35B of the listing agreements, your Company is pleased to provide e-voting facility to the members to exercise their right to vote at the said AGM electronically on all the resolutions set forth in the Notice convening the 27th AGM. Instructions relating to e-voting facility forming part of this notice, is provided separately.
3. **Poll at the meeting :** After all the agenda items have been discussed, the Chairman will order Poll in respect of all the items. Poll will be conducted and supervised under Scrutinizers to be appointed for the purpose. After conclusion of the Poll, the Chairman may declare the meeting as closed. The Results of the Poll aggregated with the Results of e-voting will be announced by the Company on its website www.canfinhomes.com and also informed to the Stock Exchanges.
4.
 - (a) A member entitled to attend the meeting and vote thereat is entitled to appoint a proxy.
 - (b) A proxy can vote on behalf of the member only on a poll but shall not have the right to speak.
 - (c) A proxy need not be a member of the Company.
 - (d) A person can act as a proxy on behalf of members not exceeding 50 and aggregate holding of not more than 10% of the total share capital of the Company.
 - (e) A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
 - (f) Proxies in order to be valid must be deposited at the Company's registered office not less than 48 hours before the time fixed for the meeting or holding the adjourned meeting in relation to which the proxy is given.
 - (g) A proxy form for the AGM is enclosed.
5. A member would be entitled to inspect the proxies lodged at any time during the business hours of the Company during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, provided that not less than three days of notice in writing is given to the Company.
6. Members /proxies should bring the duly filled Attendance slip enclosed herewith to attend the meeting. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company would remain closed from Thursday, the July 17, 2014 to Wednesday the July 30, 2014 (both days inclusive) for the purpose of determining the entitlement of shareholders to the payment of dividend for the financial year ended March 31, 2014.
7. Subject to the provisions of Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the AGM, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on July 16, 2014.
8. Copies of the Annual Report 2014, Notice of the said meeting, Attendance Slip and Proxy Form are being sent by electronic mode to all those members whose e-mail addresses are registered with the Company/RTA or Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e- mail addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.

9. Members may note that the Annual Report 2014, Notice of the AGM and instructions for e-voting will be available on the Company's website www.canfinhomes.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require the above document(s) in physical form in addition to communication via e-mail or having any other queries, may write to us at compsec@canfinhomes.com.
10. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during Business Hours (9.30 a.m. to 5 p.m.) on all working days upto the date of declaration of the result of the 27th AGM of the Company.
11. Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s. 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
12. The Register of Contracts or arrangements in which the Directors are interested, maintained u/s.189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
13. The members desirous of obtaining any information with regard to the audited annual accounts of the Company for the financial year 2013-14 or on any other related subject are requested to write to the Company at accounts@canfinhomes.com or compsec@canfinhomes.com at least 15 days before the date fixed for the Annual General Meeting, so that the information required could be kept ready.
14. Members/proxies attending the Annual General Meeting are requested to bring the following:
 - (a) Attendance Slip duly completed and signed by the respective members or proxy.
 - (b) Member companies/Institutions are requested to send a copy of the resolution of their Board or governing body, authorising their representative to attend and vote at the Annual General Meeting.
 - (c) DP & Client ID Number(s) by members holding shares in de-materialised form.
 - (d) Folio number(s) by members holding shares in physical form.
 - (e) Copy of the Annual Report.

General Information:

1. **Unclaimed Dividend:** Pursuant to the provisions of Section 205A & 205C of the Companies Act, 1956, the dividend declared for 2006-07 remaining unclaimed and unpaid as on July 19, 2014 would be transferred to the Investor Education & Protection Fund (IEPF) on completion of 7 years. Members may please note that no claim shall lie against the IEPF or the Company in respect of Dividend 2007 after July 19, 2014. Members who have not encashed their dividend warrants for the years 2007-08 to 2012-13 are requested to approach the RTA of the Company at the earliest.
2. **E-mail address:** The Company is concerned about the environment and encourages the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India. Members holding equity shares of the Company in physical form, are requested to provide their e-mail address to the Company by e-mail to legal@canfinhomes.com or compsec@canfinhomes.com /RTA of the Company by e-mail to ravi@ccsl.co.in or naidu@ccsl.co.in

Members holding equity shares of the Company in electronic form are requested to register their e-mail address with their respective Depository Participant for enabling us send the annual report etc., by e-mail.

Formats provided in the Annual Report and also in the Companies Web site viz., www.canfinhomes.com

3. **Payments in electronic mode:** SEBI vide its Circular dated 21/03/2013 has made it mandatory for the Companies to make payment to its investors using electronic mode viz., ECS, NECS, RTGS, NEFT etc.
- In respect of members holding shares in physical form, the Company and/or its RTA are expected to maintain the bank account particulars of its investors together with the related IFSC Code. In the above Circular, the respective Depository Participants are also instructed to maintain such details pertaining to the members holding shares in demat mode.
 - Members holding shares in electronic/de-materialised form may please note that while printing the bank account particulars on the dividend warrants, the particulars as provided by the National Securities Depository Ltd., (NSDL)/ Central Depository Services (India) Ltd., (CDSL) will only be considered (in terms of the regulations of Depositories Act, 1996) for crediting the amount directly to the respective beneficial owner's bank account. Hence, the Company will not be in a position to act on any direct request from such demat holders for any change of bank account particulars.
 - The forms (separate for physical and demat holders) for furnishing Bank account particulars with the related IFSC Code, are made available on the website of the Company viz., www.canfinhomes.com for download by the members and submission to the Company. The said forms are also made available with this notice. Members who have not yet complied with the above requirements are requested to immediately send required particulars for enabling the Company/RTA to pay dividends through electronic mode.
 - Instructions, if any, already given by the members to the Company while holding shares in physical form will become redundant on conversion of shares to demat mode. Only the details provided/available with the respective DPs only will be considered for all purposes including for payment of dividend.
4. **PAN:** Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company/RTA.
5. **Nomination facility:** Pursuant to Section 72 of the Companies Act, 2013 (corresponding section 109A of the Companies Act, 1956) individual/joint members are entitled to register nomination in respect of the shares held by them in Form No.SH-13 and send it to the RTA. The Nomination form is made available in the Annual Report and also in the website of the Company.
6. **Correspondence:** Members are requested to address all correspondence, including payment of dividend, change of address etc., to the Registrars and Share Transfer Agents (RTA) of the Company at the following address :

M/s.Canbank Computer Services Ltd.,
R & T Centre, Unit: Can Fin Homes Ltd.,
J.P. Royale, I Floor, No.218, 2nd Main,
Sampige Road (near 14th Cross),
Malleshwaram, Bengaluru-560003
e-mail: naidu@ccsl.co.in
CIN: U85110KA1994PLC016174

Annexure to the notice

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

In respect of Agenda No.5

The Board of Directors of the Company, appointed Shri T.V.Rao as an Additional Director of the Company with effect from February 01, 2014 pursuant to Article 22 of the Articles of Association of the Company ("Articles"), read with Section 260 of the Companies Act, 1956 (corresponding Section 161 of "the Act") and Shri T.V.Rao holds office only up to the date of the ensuing Annual General Meeting.

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

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

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

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

Shri T.V.Rao is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis) and has not availed any loan from the Company. He is not disqualified from being appointed as a director in terms of Section 164(2) of "the Act". The requisite Form DIR-8 is received from Shri T.V.Rao, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

In terms of Section 149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Shri T V Rao, being eligible, is proposed to be appointed as an independent director for a consecutive period of 3 years from the date of this Annual General Meeting until the conclusion of the Annual General Meeting of the Year 2017.

Your Directors are of the opinion that Shri T.V.Rao fulfils the conditions specified in the Companies Act, 2013 for such appointment and his appointment as a director would be in the best interest of the Company.

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

Excepting Shri T.V. Rao, being an appointee, no Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

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

In respect of Agenda No.6

The Board of Directors appointed Shri K.N.Prithviraj as an Additional Director with effect from June 04, 2014 in terms of Section 161 and all other applicable provisions, if any of the Companies Act, 2013 and Article 22 of the Articles of Association of the Company and Shri K.N.Prithviraj holds office only upto the date of the ensuing Annual General Meeting.

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

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

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

Shri K.N.Prithviraj is not holding any equity share in the Company (both own and held by/for other persons on a beneficial basis) and has not availed any loan from the Company. He is not disqualified from being appointed as a director in terms of Section 164(2) of "the Act". The requisite Form DIR-8 is received from Shri K.N.Prithviraj, by the Company, in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming his eligibility for such appointment.

In terms of Section 149, 150 and 152 of the Companies Act, 2013 and other applicable provisions of the said Act and rules made thereunder, Shri K.N. Prithviraj, being eligible is proposed to be appointed as an independent director for a consecutive period of 3 years from the date of this Annual General Meeting until the conclusion of the Annual General Meeting of the Year 2017.

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

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

Excepting Shri K.N. Pruthviraj, being an appointee, no Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

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

In respect of Agenda No.7

The Company has been accepting deposits from the public since inception. With the business operations of the Company growing, Company's requirements for additional funds are increasing. The Company intends to continue to accept deposits from the public. However, in terms of Section 73(2) and 76 and all other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, effective from April 01, 2014, your Company is exempt from applicability of the provisions under the Companies (Acceptance of Deposits) Rules, 2014 for the purpose of acceptance of deposits from public since your Company is a Housing Finance Company registered with National Housing Bank (a wholly owned subsidiary of Reserve Bank of India).

Section 58A and related rules of the Companies Act, 1956 are replaced by Section 73 to 76 of the Companies Act, 2013 and related rules w.e.f. April 01, 2014.

In order to be eligible for accepting deposits from the public in terms of Section 73(2) of the Companies Act, 2013, your Company is seeking the prior consent of the members by way of an ordinary resolution, subject to the condition that the amount accepted in the form of deposits from public together with the existing borrowings and future borrowings would be within the limits specified by the members under section 180(1)(c) of "the Act". However, your Company being a housing finance company registered with National Housing Bank has been following the Directions/Guidelines issued by the National Housing Bank from time to time with regard to acceptance and renewal of deposits, continues to follow the Directions/Guidelines issued by NHB from time to time.

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

No Director or any key managerial personnel or the relatives of the directors or key managerial personnel is in any way concerned or interested, financially or otherwise, in the said resolution.

In respect of Agenda No.8

At the 26th Annual General Meeting of the Company held on August 07, 2013, consent of the shareholders was obtained u/s.293(1)(d) of the Companies Act 1956, by way of an Ordinary Resolution, to the Board of Directors of the Company for borrowing money(ies) in excess of the aggregate of the paid up capital and free reserves of the Company upto a sum of ₹10,000 Crore (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business). Further, with the business operations growing and the expected growth in the activities and operations of the Company the aforesaid limit of ₹10,000 Crore (Rupees Ten Thousand Crore only) is likely to exceed in due course/in the near future and the consent of the members is sought through the resolution(s) proposed vide agenda no.8 placed before the meeting, to enable the Board of Directors of the Company to borrow money(ies) upto a sum of ₹12,000 Crore (Rupees Twelve Thousand Crore only).

With the passing of the Companies Act, 2013 with effect from April 01, 2014, the members have to accord approval for the limit upto which the borrowings can be made by the Board of Directors only by way of a Special Resolution in terms of Section 180(1)(c) of the Companies Act, 2013. As per the clarifications issued by the Ministry of Corporate Affairs dated March 25, 2014, the Board of Directors are allowed to exercise their powers of borrowings and / or Creation of Security on assets of the Company within the limits prescribed by the members by way of an Ordinary Resolution upto September 30, 2014, as if the approval is accorded by way of Special Resolution.