

CAN FIN HOMES LIMITED

Registered Office: No. 29/1, 1st Floor, M N Krishna Rao Road,
Basavanagudi, Bengaluru - 560 004. Karnataka. India
Corporate Identity Number (CIN): L85110KA1987PLC008699
Tel :080 41261144, 080 48536192 • Fax:080 26565746
E-mail: compsec@canfinhomes.com • Web: www.canfinhomes.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies
(Management and Administration) Rules, 2014

Dear Member(s),

NOTICE is hereby given pursuant to the provisions of Section 108, Section 110 and all other applicable provisions, if any, of the Companies Act, 2013, (the “Act”), [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force (“as amended”)], read with the Rule 20 and 22 of Companies (Management and Administration) Rules, 2014 (“Management Rules”), as amended, General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, and the latest one being General Circular No. 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable provisions, including any statutory modification or re-enactment thereof for the time being in force, to transact the special business(es) by passing Special Resolution(s) as set out below by way of Postal Ballot, by the Members of the Company, only through remote e-Voting process.

The proposed resolution(s) and the Explanatory Statement pursuant to Section 102(1) of the Act and any other applicable provisions of the Act, read with Rules framed thereunder, setting out the material facts and reasons concerning the resolution mentioned in this Postal Ballot Notice (“Notice”), together with Notes and instructions for remote e-Voting, are annexed hereto.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Companies Act 2013 read with the Rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolutions are restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot forms. The instructions for e-voting are appended to this Notice.

In accordance with Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 and the aforesaid MCA Circulars, this NOTICE is being sent by email to the Members whose email addresses are available with the Company / Depositories / Registrar and Transfer Agent for communication purposes or are obtained directly from the Members. The said NOTICE is also available on the

Company’s website at www.canfinhomes.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com. Members who have not registered their email addresses so far are requested to get their email addresses registered/updated by following the process provided in the Notes to this Notice.

The Board of Directors have appointed Shri S Viswanathan, Practicing Company Secretary, as the Scrutinizer pursuant to Rule 22 of the Companies (Management and Administration) Rules, 2014 for conducting the Postal Ballot process in a fair and transparent manner.

In accordance with the provisions of the Act, related rules and Regulation 44 of the SEBI Listing Regulations, the Company has provided the facility of voting by electronic means (“Remote e-voting”) through National Securities Depository Limited (“NSDL”) platform to enable the Members to cast their votes electronically. The Members are requested to follow the procedure provided in the annexed Notes and Instructions for casting of votes by remote e-voting.

Upon completion of remote e-voting, the Scrutiniser will submit his report to the Chairman or Managing Director & CEO or the Company Secretary of the Company. The results of the Postal Ballot along with the Scrutinizer’s Report shall be announced on or before October 29, 2024 i.e. not later than two working days from the conclusion of the remote e-voting. The results of the Postal Ballot along with the Scrutinizer’s Report shall also be displayed on the website of the Company at www.canfinhomes.com on the website of NSDL at www.evoting@nsdl.com and shall also be displayed at the Registered Office of the Company while simultaneously being communicated to National Stock Exchange of India Limited and BSE Limited, where the equity shares of the Company are listed.

SPECIAL BUSINESS(ES)

Item 1: Approval of the ‘CFHL - Employee Stock Option Scheme 2024’ (“ESOP 2024”/ “Scheme”)

To consider and if deemed fit, to pass, the following resolution, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, applicable regulations of the Securities and Exchange Board

of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and any circulars/notifications/guidelines/frequently asked questions issued thereunder, as amended from time to time (collectively referred as “SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“SEBI LODR Regulations”), the provisions of relevant regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India (“SEBI”), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the relevant provisions of the Memorandum and Articles of Association of the Company, and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the approval of the Members of the Company be and is hereby accorded to the introduction and implementation of ‘**CFHL - Employee Stock Option Scheme 2024**’ (“**ESOP 2024**” or “**Scheme**”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which shall be deemed to include any Committee, including the Nomination Remuneration and HR Committee of the Company) to create and grant from time to time, in one or more tranches, not exceeding **13,31,541 (Thirteen Lakhs Thirty-One Thousand Five Hundred Forty-One)** Options in aggregate employee stock options (“Options”) to or for the benefit of such person(s) working exclusively with the Company whether in or outside India, including any Director, whether whole-time or not (excluding the employees/Directors who are Promoters and persons belonging to the Promoter Group, Independent Directors and Directors holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Company) subject to their eligibility as may be determined under the Scheme, exercisable into not more than **13,31,541 (Thirteen Lakhs Thirty-One Thousand Five Hundred Forty-One)** Shares of face value of **Rs. 2/- (Rupees Two)** each fully paid-up, where one Option upon exercise shall convert into one Share subject to payment/ recovery of requisite exercise price, on such terms & conditions and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares are required to be issued.

RESOLVED FURTHER THAT in case the Shares of the Company are either sub-divided or consolidated, then the ceiling in terms of number of Shares specified above shall automatically stand augmented or reduced, as the case may be, in the same proportion as the face value per Share shall bear to the revised face value of the Share of the Company

after such sub-division or consolidation.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme subject to consent of the Members by way of a special resolution to the extent required under the applicable laws including the SBEB & SE Regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.”

Item 2. Change in place of keeping Register and Records of the Company

To consider and if deemed fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) [including any statutory modification(s) or reenactment(s) thereof for the time being in force] read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, consent of the Members of the Company be and is hereby accorded to keep and maintain the Registers of Members and index thereof and other registers as prescribed under Section 88 of the Act and copies of all Annual Returns as required under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents, registers and records as may be required, at the Registered Office of the Company and / or at the office of Integrated Registry Management Services Private Limited (‘Integrated’), the Registrar and Transfer Agent (RTA) of the Company, at No.30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore- 560003, Karnataka, India and/ or at such other place where the RTA may shift its office from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company and/ or any person authorised by the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**By Order of the Board of Directors
For Can Fin Homes Limited**

Sd/-

Nilesh Jain

DGM & Company Secretary

M. No. 18320

Place: Bengaluru

Date: September 18, 2024

Registered Office:

No.29/1, I Floor,

Sir M N Krishna Rao Road,

Basavanagudi, Bengaluru – 560 004

CIN: L85110KA1987PLC008699

1. The explanatory statement pursuant to Section 102 read with section 110 of the Companies Act, 2013 and Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, setting out the material facts concerning Item No.1 and 2 in the Notice, is annexed for your kind consideration.
2. The Postal Ballot Notice is being sent by e-mail to all the shareholders, whose names appear on the Register of Members/list of Beneficial Owners, as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on the close of business hours on **Friday, September 20, 2024**, i.e. the **cut-off date**, for reckoning voting rights. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
3. A member cannot exercise his/her vote by proxy on postal Ballot. As per the MCA Circulars, postal ballot forms and prepaid Business Reply Envelopes are not being sent to Members for this Postal Ballot. Members are requested to provide their assent or dissent through remote e-voting only in accordance with the requirements specified in the MCA Circulars.
4. In compliance with Sections 108 and 110 of the Act and the rules made there under, the MCA Circulars and Regulation 44 of the SEBI Listing Regulations, the Postal Ballot Notice is being sent only by electronic mode to those members whose e-mail addresses are registered with the Company/RTA/Depositories. Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.canfinhomes.com websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL www.evoting.nsdl.com.
Further, it is clarified that if a Member fails to provide or update relevant email ID to the Company/RTA or to the DP, as the case may be, the Company will not be in default for not delivering the Notice via email. The availability of this Notice on the Company's website at www.canfinhomes.com and on the website of the Stock Exchanges shall be deemed to be the issuance of this Notice to all the Members whose email IDs are not registered with the Company.
5. The Company has engaged the services of NSDL for the purpose of providing remote e-voting facility to the members.
6. Shareholders desiring to exercise their vote through the remote e-voting process are requested to read the instructions in the Notes under the section "INSTRUCTIONS FOR REMOTE E-VOTING" in this Postal Ballot Notice. The voting period commences at 9.00 AM (IST) on Thursday, September 26, 2024 and ends at 5:00 PM (IST) on Friday, October 25, 2024 (both days inclusive). The remote e-voting module shall be disabled by NSDL for voting thereafter.
7. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, September 20, 2024, being the cut-off date fixed for the purpose.
8. All the documents referred to in the Notice and Explanatory Statement will be available for electronic inspection without any fee by the Members from the date of circulation of this

Postal Ballot Notice up to the last date for receipt of votes through the remote e-voting process. Members seeking to inspect such documents can send an email to investor.relationship@canfinhomes.com. Also the same are available for inspection at the Registered Office of the Company during Business Hours (10:00 AM to 5:00 PM) on all working days till October 25, 2024.

9. The Board has appointed Shri S Viswanathan, Practicing Company Secretary (Membership No.12190 and CP No. 5284) as Scrutinizer for conducting the postal ballot through the remote e-voting process in a fair and transparent manner and in accordance with the Act and the Rules made there under, and he has communicated his willingness to be appointed for the said purpose.
10. The Scrutinizer will submit the final report to the Chairman or Managing Director & CEO or Company Secretary, as authorized, after the conclusion of remote e-voting, within the prescribed time period. The same will also be displayed on the website of the Company (www.canfinhomes.com), besides being communicated to the Stock Exchange viz. BSE Limited, National Stock Exchange of India Limited and NSDL. These results will also be displayed on the notice board of the Company at its Registered Office.
11. Resolutions passed by the shareholders through postal ballot, by requisite majority, shall be deemed to have been passed at a General Meeting of the shareholders. The results of the Postal Ballot along with the Scrutinizer's Report shall be announced on or before October 29, 2024 i.e. not later than two working days from the conclusion of the remote e-voting. The Resolutions, if passed by the requisite majority, shall be deemed to have been passed on October 25, 2024 being the last date specified by the Company for remote e-voting.
12. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Falguni Chakraborty, Assistant Manager, NSDL at evoting@nsdl.com
13. Members who have not registered their e-mail IDs are requested to register the same by following the process given below:
 - (i) For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to or by writing to the Company's Registrar and Transfer Agent, M/s Canbank Computer Services Limited, R&T Centre, #218, J P Royale, I floor, Sampige Road, 2nd Main, Near 14th Cross, Malleshwaram, Bengaluru-560003 or upload the KYC details at the website of RTA at canbankrta.com. In accordance with the provisions of the MCA Circulars, Shareholders can vote only through the remote e-voting process.
 - (ii) For Demat shareholders - Please update your email ID and Mobile number with your respective Depository Participant (DP). Please provide DPID-CLID (16 digit DPID+ CLID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card) and Aadhar (self-attested scanned copy of Aadhar Card) to NSDL or CDSL.

INSTRUCTIONS FOR REMOTE E-VOTING

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their Demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
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Individual shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following **URL: <https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@canfinhomes.com with a copy marked to evoting@nsdl.com.
Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user

manual for Members available at the download section of www.evoting.nsdl.com. For any grievances connected with the facility for remote e-voting please contact: Ms. Pallavi Mhatre, Senior Manager, NSDL, 301, 3rd floor, Naman Chambers, G Block, Plot No. C - 32, Bandra Kurla Complex, Bandra East, Mumbai - 400 051 or e-mail at evoting@nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to ravi@ccsl.co.in or naidu@ccsl.co.in or by writing to the Company's Registrar & and Share Transfer Agent, M/s Canbank Computer Services Limited, R&T Centre, #218, J P Royale, I floor, Sampige Road, 2nd Main, Near 14th Cross, Malleshwaram, Bengaluru-560003.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

Annexure to Notice

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

In respect of Item No.1- Approval of the 'CFHL - Employee Stock Option Scheme 2024' ("ESOP 2024"/ "Scheme")

Given the highly competitive nature of the Non- Banking Financial Company (NBFC) sector, it is essential for the Company to adopt strategic measures to secure and retain key talents. As the Company advances to leverage market opportunities and address business competition, there is an increasing demand for individuals in critical roles, driven by evolving skillsets pertinent to the Company's business.

Recognizing that the equity-based compensation is considered as an integral part of employee compensation across the sector, which enables alignment of employees' individual goals with organizational objectives by enabling their participation in ownership through an equity-based compensation scheme. To achieve this in a competitive environment, the Company intends to implement the 'CFHL – Employee Stock Option Scheme' ("ESOP 2024"/ "Scheme") to attract, retain, motivate and reward key talent, foster an employee ownership culture and encourage the alignment of individual goals with the Company's objectives for sustained corporate growth.

The Company proposes to extend the grant of Employee Stock Options ("Options") to employees up to 5 levels below MD & CEO. The Nomination Remuneration and HR Committee ("Committee") shall annually select a specific number of employees from this group through a talent and succession process, based on one or more of the following criteria:

1. Past association with the Company.
2. Performance ratings achieved by the employees over the past four quarters, with the stipulation that these ratings consistently meet or exceed minimum performance rating of "3" out of "5" i.e., rating achieved by employees should remain above the two lowest levels of performance rating system.
3. No penalties of ₹1 lakh or more in the last year, as per service regulations.
4. Assessment of future potential; and
5. Any other criteria apart from above as determined by Committee.

Accordingly, on the recommendation of the Committee, the Board of Directors ("Board") of the Company at their meeting held on September 18, 2024 had approved the introduction of the scheme, subject to the approval of the Members of the Company.

In terms of Section 62(1)(b) of the Companies Act, 2013 and Rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB & SE Regulations), features of the Scheme are given as under:

a) Brief description of the Scheme:

The Scheme contemplates grant of Options to the eligible employees (including Directors) as specified at point 'c' below, from time to time as may be determined in due compliance of SBEB & SE Regulations and provisions of the Scheme. After vesting of Options, the eligible employees earn a right (but not obligation) to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon. The employees may create wealth depending on prevailing market price of Shares as on the date of sale.

The Committee shall supervise the Scheme as required under SBEB & SE Regulations. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of Options to be granted:

The total number of Options to be granted under the Scheme shall not exceed **13,31,541 (Thirteen Lakhs Thirty-One Thousand Five Hundred Forty-One)** Options. Each Option when exercised would be converted into one equity share of the face value of Rs. 2 /- (Rupees Two) each fully paid-up.

Further, SBEB & SE Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and exercise price of the Options granted in such a manner that the total value of the Options granted under the Scheme remains the same after any such corporate action. Accordingly, if any additional Options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the aforesaid ceiling of Options/Shares shall be deemed to be increased to the extent of such additional Options issued.

c) Identification of classes of employees entitled to participate in the Scheme.

Subject to determination or selection by the Committee following classes of employees and Directors (collectively referred to as "Employees") are eligible being:

- (I) an employee as designated by the Company, who is exclusively working in India or outside India; and

(ii) a Director of the Company, whether a Whole-Time Director or not, including a Non-Executive Director, who is not a Promoter or Member of the Promoter Group but excluding an Independent Director,

but does not include-

- a. an Employee who is a Promoter or belongs to the Promoter Group;
- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity Shares of the Company.

d) Requirements of vesting and period of vesting

Any Option granted under the Scheme shall vest not earlier than minimum vesting period of **1 (one) year** and not later than the maximum vesting period of **4 (Four) years** from the date of grant as may be determined by the Committee.

The vesting dates and relative percentages in respect of Options granted under the Scheme shall be determined by the Committee and may vary from employee to employee or any class thereof.

Vesting of Option would be subject to continued employment with the Company. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would Vest. An option grantee who has tendered his/her resignation and is serving the notice period after resignation, such notice period shall not be considered for vesting and all the unvested Options as on date of resignation shall be cancelled forthwith.

In the event of death or permanent incapacity of an Employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity as required under the SBEB & SE Regulations.

e) Maximum period within which the Option shall be vested:

Any Option granted under the Scheme shall be subject to a maximum vesting period of **4 (Four) years** from the date of grant of Options.

The Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

f) Exercise price or pricing formula:

The exercise price per Option shall be the equivalent to Market price as on date of Grant which shall in no case be lesser than the face value of Shares of the Company as on date of Grant.

Market price for this purpose shall mean the latest available closing price of Shares on the Stock Exchange having higher trading volume on the date immediately preceding the date of grant, as per SBEB & SE Regulations.

The Exercise Price shall be specified in the letter issued to the Option Grantee at the time of the Grant.

g) Exercise period and the process of Exercise:

The exercise period for vested Options shall be a maximum of 3 (Three) years commencing from the relevant date of vesting of Options, or such other shorter period as may be prescribed by the Committee at time of Grant.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only upon payment of requisite exercise price by the Option grantees. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years as determined by through the appraisal system, future potential, or any other criteria as may be determined by Committee from time to time.

i) Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted under the Scheme per Employee and in aggregate (taking into account all grants) for such Employee, shall not exceed 5,00,000 (Five Lakhs) Options per identified Employee.

j) Maximum quantum of benefits to be provided per employee:

There is no contemplation of benefit other than grant of Options and any benefit arising out of Options shall be subject to ceiling specified in point herein above.

The maximum quantum of benefits underlying the Stock Options granted to an Employee can be construed to be an amount equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Options Exercise Price and the Market Price of the equity shares on the exercise date.

k) whether the scheme(s) is to be implemented and administered directly by the Company or through a trust

The Scheme shall be implemented and administered directly by the Company through the Board/Committee.

l) whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both

The Scheme contemplates issue of new/fresh/primary equity shares of the Company.

m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the Trust, its tenure, utilization, repayment terms, etc.

Not Applicable since the Scheme is not implemented through trust.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)

Not Applicable since the Scheme is not implemented through trust.

o) A statement to the effect that the Company shall conform to the accounting policies specified in regulation 15 :

The Company shall follow the Accounting Standard IND AS 102 on share based payments and/ or any relevant Accounting Standards as may be prescribed by the Competent Authorities from time to time, including the disclosure requirements prescribed therein and shall disclose and comply with the accounting policies specified in Regulation 15 of the SBEB & SE Regulations. In addition, the Company shall disclose such details as required under the applicable laws including under other applicable provisions of the SBEB & SE Regulations.

p) Method of Option valuation:

The Company shall adopt 'fair value method' for valuation Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by the Competent Authorities from time to time.

q) Declaration:

In case the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share ("EPS") of the Company shall also be disclosed in the Directors' Report.

r) Period of Lock-in:

The shares issued pursuant to exercise of Options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under applicable laws including that under the Code of Conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, shall apply.

s) Terms & conditions for buyback, if any, of specified securities/ Options covered granted under the Scheme:

Subject to the provisions of the then prevailing applicable laws, the Committee shall determine the procedure for buy-back of specified securities/Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

Consent of the Members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SBEB & SE Regulations.

A draft copy of the Scheme will be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of conclusion of remote e-voting.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent they may be lawfully granted Options under the Scheme.

Your Board of Directors recommends the Special Resolution set forth as Item No. 1 of the notice for your approval.

In respect of Item No.2 : Change in place of keeping Registers and Records of the Company

Canbank Computer Services Limited (CCSL), existing Registrar and Transfer Agent (RTA) vide letter dated August 19, 2024 submitted notice for discontinuation of RTA services as CCSL intends to pursue Financial Business and hence is exiting out of all non-financial businesses. CCSL vide said letter served three months termination notice.

Accordingly, on the recommendation of Stakeholders Relationship Committee, the Board at its meeting held on September 18, 2024 appointed Integrated Registry Management Services Private Limited ('Integrated') as its new RTA in place of CCSL. The formalities for Change of RTA relating to documentation, shifting of electronic connectivity and transition of data are in process. However, CCSL will continue to act as RTA of the Company till such time the database and electronic connectivity is shifted to Integrated.

In accordance with the provisions contained in Section 94 of the Companies Act, 2013 ("Act"), as amended from time to time, the Statutory Registers including copies of the Annual Return are required to be kept at the Registered Office of the Company unless a Special Resolution is passed in a general meeting authorizing to keep the registers at any other place within the city, town or village in which the Registered Office is situated.

The Members at the sixth Annual General Meeting held on July 19, 1993 had approved to keep all the Register of Members, Index of Members, Register of Debenture holders, Index of Debenture holders, other related books and copies at the Office of the Canbank Financial Services Limited, then RTA of the Company at R&T Centre, Hotel Broadway Complex, Kempegowda Road, Bangalore- 560 009 which was subsequently shifted to the office of CCSL, existing RTA at #218, JP Royale, 1st Floor, Sampige Road, (Near 14th Cross) 2nd Main, Malleshwaram, Bengaluru - 560003, Karnataka, pursuant to the provisions of erstwhile Section 163 of the Companies Act, 1956.

Due to change in RTA, approval of the Members is sought by way of a Special Resolution pursuant to the provisions of Section 94 of the Act for keeping and maintaining the Registers as prescribed under Section 88 of the Act and all Annual Returns as required under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents, registers and records as may be required, at the Registered Office of the Company and/or at the office of Integrated, New RTA of the Company at No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bangalore- 560003, Karnataka, and / or at such other place, where the RTA may shift its office from time to time.

The above said registers prescribed under Section 88 of the Act and other related books and copies will be shifted to Integrated, pursuant to shifting of all related ISINs by NSDL and CDSL from existing RTA to New RTA.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, whether financially or otherwise, in the resolution set out in Item No. 2 of the Notice.

The Board recommends the Special Resolution, as set out at Item No. 2 of the Notice, for approval by the Members of the Company

**By Order of the Board of Directors
For Can Fin Homes Limited**

Sd/-

Nilesh Jain

DGM & Company Secretary

M.No. 18320

Place: Bengaluru

Date: September 18, 2024

Registered Office:

No.29/1, I Floor,

Sir M N Krishna Rao Road,

Basavanagudi, Bengaluru – 560 004

CIN: L85110KA1987PLC008699