

**CAN FIN HOMES LTD**

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CIN: L85110KA1987PLC008699

CFHRO SE CS LODR 093/2022  
09/05/2022

ONLINE SUBMISSION

**BSE Limited**

Corporate Relationship Department  
25th Floor, P J Towers  
Dalal Street, Fort,  
Mumbai - 400 001

BSE Scrip Code: 511196

Dear Sirs,

**Sub: Clarification/Confirmation on news item appearing in "ET Now"**  
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With reference to the subject, we wish to clarify that the news item which appeared in the "ET Now" dated 9<sup>th</sup> May 2022 captioned "SRCS say RBI may probe detection of fraud in 37 accounts" is factually incorrect and we are unaware of its source. The Company has not received any such information from its regulator.

In this regard, our point-wise replies to clarification sought are as follows:

a) Whether you/company are aware of any information that has not been announced to the Exchanges which could explain the movement in the trading, if any? Further, you are advised to provide the said information and the reasons for not disclosing the same to the Exchange earlier as required under regulation 30 of the SEBI (LODR) Regulations, 2015?

Reply: We confirm that, to the Company's knowledge, currently there is no such information or event which is significant and price sensitive, which the Company may need to disseminate to the investors for their information. As such, there are no specific/extraordinary events or information in respect of the Company that may have a bearing on the price movement of the scrip. We request you to take the above information on your record and disseminate the same on your website.

b) The above mentioned news item is factually incorrect. The Company has not received any such information from its regulator. Hence, this news item has no material impact on the Company.

Information about the internal inspection/investigation, that seems to have led to the rumors, is provided in the attachment for the information of stakeholders.



We wish to clarify and confirm that the Company has been making prompt disclosures of all the events and information that are material in nature and have a bearing on the operation / performance of the Company, including all price sensitive information, within the stipulated timelines as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
For Can Fin Homes Ltd.,

  
Veena G Kamath  
DGM & Company Secretary

Encl: As above.



Information about the internal inspection/investigation, that seems to have led to the rumors, is provided in the attachment for the information of stakeholders:

The National Housing Bank, regulator, had forwarded a complaint received by it to the Audit Committee Chairman of the Company. As a prudent practice, the Audit Committee had requested Canara Bank inspection team to verify the operations in 21 branches. The inspection/ investigation was completed during March 2022. In the process, it was found that fake ITRs (Income tax returns) in 37 accounts in Bhilwara branch. The borrowers are available in all the accounts, securities provided by them are intact and the accounts are maintained regular. However, submission of fake ITRs falls under the definition of 'fraud' and hence all the 37 accounts with the aggregate loan amounts of Rs.3.93 Crore were classified as fraud accounts and reported to the Regulator. The Company had classified these accounts as non-performing assets and provided fully. The Company has taken necessary action in this regard.

After including the above mentioned non-performing assets, the Company's net NPA for the year ended 31/03/2022 was 0.64%. This information has been clarified to the Investors in the Concall held on 2<sup>nd</sup> May 2022 post Q4FY22 results. The recording has been made available on the website of the Company and the transcript will be uploaded within the prescribed timeline.

The aggregate amount of fraudulent accounts is Rs.3.93 Cr. as against the Loan Book of Rs.26711 Cr. Thus, considering the scale of the operations of the Company, the above mentioned fraud has no material impact on the Company.

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