



**CanFin Homes Ltd**

(Sponsor: CANARA BANK)

**HOME LOANS • DEPOSITS**

*Translating Dreams into Reality*

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19th ANNUAL REPORT  
2005 - 06

# *Board of Directors*



Mr. S. Doreswamy  
Chairman



Mr. R. V. S. Rao



Mr. V. K. Badami



Mr. J. S. Vasan



Mr. B. Balakrishna  
Shetty



Mr. K. Venkataramaiah  
Managing Director

## BOARD OF DIRECTORS

Mr. S. Doreswamy	Chairman
Ms. I T Vaz	Nominee Director - UTI (upto 23.09.2005)
Mr. R V S Rao	
Mr. V K Badami	Nominee Director - NHB
Mr. K Annappayya	(upto 28.02.2006)
Mr. B Balakrishna Shetty	(from 23.02.2006)
Mr. J. S. Vasan	(from 12.05.2006)
Mr. K. Venkataramaiah	Managing Director

## EXECUTIVES

General Manager		
Mr. K. Subba Rao		
Assistant General Managers	Asst. General Manager & Company Secretary	Chief Managers
Mr. K. Suresh Rao (upto 31.07.05)	Mr. K. S. Sathyaprakash	Mr. P. Felix (upto 18.04.06)
Mr. R. Jairam (upto 09.11.05)		Mr. P. Vijayasekhara Raju
Mr. K. Gopinath (upto 28.02.06)		Mr. A. R. Gopal
Mr. G. V. Gopinath		Ms. M. Shamila
Mr. Rm. Veerappan		Mr. T. Bhaktavatchalam
Mr. D. K. Manjunath		Mr. Sunil Kumar Mittal
Mr. N. Vijaygopalan		

### REGISTRARS & SHARE TRANSFER AGENTS

Canbank Computer Services Ltd.,  
Unit : Can Fin Homes Ltd.,  
R & T Centre, Naveen Complex  
4th floor, No. 14, M.G. Road  
Bangalore - 560 001  
Tel : 080-25320541, 25320542, 25320543  
Fax : 080-25320544  
E-mail : ccslrnt@vsnl.com

### AUDITORS

K P Rao & Co.,  
Chartered Accountants  
'Poornima', 25  
Madras Bank Road,  
Bangalore - 560 001

### PRINCIPAL BANKERS

Canara Bank

### REGISTERED OFFICE

No.29/1, I Floor, Sir M N Krishna Rao Road, Basavanagudi, Bangalore - 560 004  
Tel : 080-26564259, 26565747, 26568687, 26570155 Fax : 26565746  
Website : www.canfinhomes.com

**Can Fin Homes Ltd**

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<p style="text-align: center;"><b>MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING</b></p>
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**FINANCIAL HIGHLIGHTS**

FOR THE YEAR ENDED MARCH 31, 2006

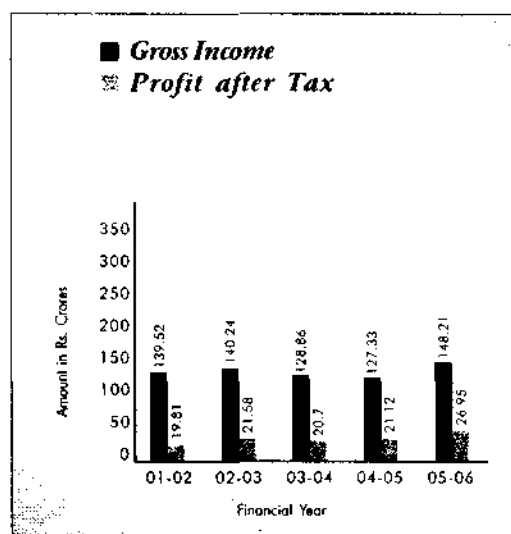
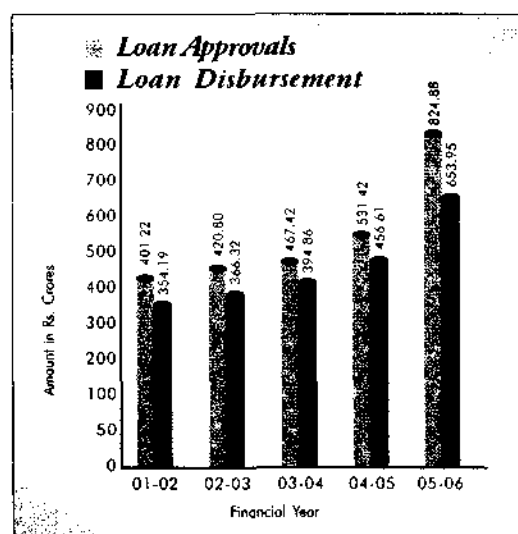
**OPERATIONAL HIGHLIGHTS**

Rs. in Crores

	2001-02	2002-03	2003-04	2004-05	2005-06	Cumulative Figures
Loan approvals	401.22	420.80	467.42	531.42	824.88	4481.54
Loan disbursements	354.19	366.32	394.86	456.61	653.95	3780.99

**FINANCIAL HIGHLIGHTS**

Gross Income	139.52	140.24	128.86	127.33	148.21
Profit after tax	19.81	21.58	20.70	21.12	26.95
Shareholders funds	113.05	128.36	137.41	152.56	173.67
Deposits	492.75	453.63	406.71	325.93	256.84
Borrowings	475.60	517.97	623.42	878.75	1296.87
Housing loan Outstanding	986.18	1093.28	1185.26	1378.95	1773.45
Dividend (%)	23	25	25	25	25



**Can Fin Homes Ltd****NOTICE**

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Wednesday, the August 02, 2006 at 11.00 A.M. at the J.S.S. Mahavidya Peetha, Shivarathreeswara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bangalore-560 082 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2006 and the Profit and Loss Account for the year ended that date together with the Report of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in the place of Mr.R.V.S.Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution, pursuant to Section 224A of the Companies Act, 1956:

"RESOLVED that M/s. K P Rao & Co., Chartered Accountants, be and are hereby re-appointed as 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, in addition to reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting audit of the accounts of the company".

"RESOLVED FURTHER that the following firms of Chartered Accountants be and are hereby re-appointed as the auditors to carry out the audit of the branches of the company mentioned against each of their firm's name, at such remuneration as may be fixed by the Board of Directors, in addition to reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting audit :

Sl. No.	Name of the firms of Chartered Accountants	Name of the Branches authorised for auditing
(i)	M/s K P Rao & Co., Bangalore	Branches in the States of Karnataka, Kerala, Goa, Gujarat, Maharashtra and Branches, if any, to be opened by the company during 2006-07.
(ii)	M/s L U Krishnan & Co., Chennai	Branches in the State of Tamil Nadu and the Union Territory of Pondicherry.
(iii)	M/s K P Rao Associates Hyderabad	Branches in the States of Andhra Pradesh and Orissa.
(iv)	M/s. H K Chaudhry & Co., New Delhi	Branches at New Delhi, Noida, Gurgaon, Jaipur, Lucknow, Chandigarh, Bhopal, Raipur, Indore and Patna".

**SPECIAL BUSINESS**

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

**As Ordinary Resolutions:**

5. "RESOLVED that Mr.B.Balakrishna Shetty be and is hereby appointed a Director of the company, liable to retire by rotation."
6. "RESOLVED that Mr.J.S.Vasan be and is hereby appointed a Director of the company, liable to retire by rotation."

**Increase in authorised share capital**

7. "RESOLVED that pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the company be and is hereby increased from Rs.50,00,00,000 (Rupees Fifty Crore) to Rs.70,00,00,000 (Rupees Seventy Crore), divided into 700,00,000 equity shares of Rs.10/- each, ranking paripassu with the existing equity shares and that Clause V of the Memorandum of Association and Article 2(a) of the Articles of Association of the company be altered accordingly".

**As a Special Resolution**

8. Alteration of the Articles of Association of the company

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be substituted by the following Article:

"2 (a). The present Authorised Share Capital of the company is Rs.70 crore (Rupees Seventy Crore) divided into 700,00,000 (Seven hundred lakh) Equity Shares of Rs.10/- (Rupees Ten) each".

**BY ORDER OF THE BOARD OF DIRECTORS**

**Bangalore**  
**May 12, 2006**

**K. S. SATHYAPRAKASH**  
**Company Secretary**

**Registered Office:**

No.29/1, I Floor, Sir M N Krishna Rao Road  
Basavanagudi,  
Bangalore – 560 004

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY. A PROXY ATTENDING THE MEETING CAN VOTE ON HIS/HER BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ATTENDANCE SLIP-CUM-PROXY FORM IS PLACED AT THE END OF THIS ANNUAL REPORT. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING OR THE ADJOURNED MEETING IN RELATION TO WHICH THE PROXY IS GIVEN.**
2. The relative Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business in respect of item Nos.5 to 8 are enclosed herewith.
3. The Register of Members and Share Transfer Books of the company would remain closed from June 02, 2006 to June 08, 2006 (both days inclusive).
4. Payment of Dividend for the financial year 2005-06, on declaration, will be made on or after August 02, 2006 to those members whose names appear in the Register of Members of the company as on June 01, 2006.
5. Members are requested to promptly notify any change in their address to the Registrars and Share Transfer Agents of the company viz., M/s. Canbank Computer Services Ltd., R & T Centre, Unit: Can Fin Homes Ltd., Naveen Complex, 4th Floor, No.14, M G Road, Bangalore - 560 001 immediately.
6. The company has transferred unclaimed dividend up to Dividend 1996 to the General Revenue a/c of the Central Government in terms of Section 205A of the Companies Act, 1956. Those who have not encashed the dividend warrants for the said period may claim their dividend from the Registrar of Companies in Karnataka, Office of the Registrar of Companies, II Floor, E Wing, Kendriya Sadana, Koramangala, Bangalore – 560 034.



## Can Fin Homes Ltd

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7. Members who have not encashed their dividend warrants for the years from 1998-99 up to 2004-05 are requested to approach the company or the Registrars and Share Transfer Agents of the company for revalidating the warrants or obtaining cheques in lieu of warrants. Pursuant to the provisions of Section 205A & 205C of the Companies Act, 1956, the amount of dividend declared for 1999 would be transferred to the Investor Education & Protection Fund (IEPF) on August 25, 2006 since such amounts that remained unpaid for a period of 7 years from the date on which they become first due are to be transferred to the IEPF. Members may please note that no claim shall lie against the IEPF or the company in respect of such amounts.
8. The shareholders holding shares in more than one folio are requested to consolidate their folios by sending a request letter to the company or to the R&T Agents of the company.
9. The shareholders desirous of obtaining any information with regard to the audited annual accounts of the company for the financial year 2005-06 or on any other related matters are requested to write to the company at least 15 days before the date fixed for the annual general meeting, so that the information required could be kept ready.
10. Nomination facility: Consequent to the introduction of Section 109A of the Companies Act, 1956 and as has been already brought to the notice of all the Members, individual Members are entitled to make a nomination in respect of the shares held by them. The Members, who have not yet sent the said nominations, are requested to send the Nomination in Form-2B (in duplicate) to the Registrars and Share Transfer Agents of the company for registering the nominations, if any.
11. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Ltd., Central Depository Services (India) Ltd., and will be credited to the respective beneficial owner's bank account through the Electronic Clearing Services (ECS), subject to availability of ECS facility at such centers as notified by the RBI. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the company will be printed on their dividend warrants as per the applicable regulations of the Depositories Act and the company will not be in a position to act on any direct request from such members for change/deletion of such bank details. Further, the instructions, if any, already given by the Members, in respect of shares held in physical form will not automatically be applicable to the dividend paid on shares in electronic form. Members may therefore give instructions regarding their bank accounts in which they wish to receive dividend, to their Depository Participants immediately.
- 12. Members attending the Annual General Meeting are requested to bring with them the following (as applicable):**
  - (a) Members holding shares in dematerialised form, their DP & Client ID Number(s).
  - (b) Members holding shares in physical form, their folio number(s).
  - (c) Copy of the Annual Report & Notice (2005-06).
  - (d) The Attendance Slip duly completed & signed as per the specimen signature lodged with the company.
  - (e) Member companies/Institutions are requested to send a copy of the resolution of their Board/Governing Body, authorising their representative to attend and vote at the Annual General Meeting.
13. The company would accept only the Attendance Slip from a Member actually attending the Meeting; or from the person attending as a Proxy under a valid Proxy Form registered with the company not less than 48 hours prior to the Meeting. Attendance Slips of Members/valid Proxies, not personally present at the Meeting or relating to Proxies which are invalid, will not be accepted from any other Member/Person(s).



## ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

### In respect of Item No.5

The Board of Directors of the company at their Meeting held on February 23, 2006, appointed Mr.B.Balakrishna Shetty, as an Additional Director of the Company. Pursuant to Article 22 of the Articles of Association of the Company, read with Section 260 of the Companies Act, 1956 (the Act), Mr.B.Balakrishna Shetty holds office only up to the date of the ensuing Annual General Meeting.

Mr.B.Balakrishna Shetty, holds a Masters Degree in Economics from Bombay University. He is a senior banker with over 30 years of commercial banking experience and is a Management and Financial consultant.

Mr.B.Balakrishna Shetty, joined Vijaya Bank in 1975 as its Joint General Manager and functioned as a General Manager during October 1984 to November, 1988. Subsequently, he was the Executive Director of Indian Bank from December 1988 to June, 1992. He was the Chairman and Managing Director of Vijaya Bank from July 1992 to January, 1996. During his tenure at Vijaya Bank, the bank witnessed a transformational leadership and built a sustainable competitive advantage and ushered in many innovative banking services and products.

He was also the Chairman of Committee of Economists and an active member of the Management Committee of Indian Banks Association (IBA).

Presently, Mr.B.Balakrishna Shetty, is a Director on the Board of Clearing Corporation of India Ltd., Mumbai and a Member of the Task Force constituted by the Government of Karnataka for comprehensive development of coastal districts of Dashina Kannada and Udupi.

The Company has received a notice in writing from Canara Bank, one of the Promoters and Shareholders of the Company under Section 257 of the Act, signifying their intention to propose the appointment of Mr.B.Balakrishna Shetty as a Director of the company.

Mr.B.Balakrishna Shetty, is willing to act as a Director of the Company, if so appointed and has filed with the company his consent pursuant to Section 264(1) of the Act.

Mr.B.Balakrishna Shetty is not holding any equity share in the company (both own and held by/for other persons) on a beneficial basis.

Your Directors feel that the appointment of Mr.Balakrishna Shetty would be in the best interest of the company and accordingly recommend the passing of the resolution proposed at Item No.5 of the Notice.

No Director other than Mr.B.Balakrishna Shetty is in any way concerned or interested in the said resolution.

### In respect of Item No.6

The Board of Directors of the company at their Meeting held on May 12, 2006, appointed Mr.J.S.Vasan, as an Additional Director of the company. Pursuant to Article 22 of the Articles of Association of the company, read with Section 260 of the Companies Act, 1956 (the Act), he holds office only up to the date of the ensuing Annual General Meeting.

Mr.J.S.Vasan, is a senior banker with 35 years of commercial banking experience and is in the cadre of General Manager of the Bank. He has functioned as a Managing Director of M/s.Canbank Factors Ltd., for a period of Two and a half years.

The Company has received a notice in writing from Canara Bank, one of the Promoters and Shareholders of the company under Section 257 of the Act, signifying their intention to propose the appointment of Mr.J.S.Vasan as a Director of the company.

Mr.J.S.Vasan, is willing to act as a Director of the Company, if so appointed and has filed with the Company his consent pursuant to Section 264(1) of the Act.

Mr.J.S.Vasan, is not holding any equity share in the company (both own and held by/for other persons) on a beneficial basis.

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Your Directors feel that the appointment of Mr.J.S.Vasan would be in the best interest of the company and accordingly recommend the passing of the resolution proposed at Item No.6 of the Notice.

No Director other than Mr.J.S.Vasan is in any way concerned or interested in the said resolution.

### **In respect of Item No.7 & 8.**

The Authorised Capital of the company presently stands at Rs.50/- Crore divided into 500,00,000 Equity Shares of Rs.10/- each. The present paid up capital stands at Rs.20,48,75,450/-.

With the growing expansion of company's business it is desirable to bring the authorised capital of the company in proper co-relation with the magnitude of the company's resources and size of its undertaking. It is therefore advisable to increase the authorised capital of the company from Rs.50/- Crore (Rupees Fifty Crore) to Rs.70/- Crore (Rupees Seventy Crore) by creation of further shares to that extent.

The Board of Directors of the company recommend increase in the Authorised Capital of the company to Rs.70/- Crore by creation of 200,00,000 new Equity Shares of Rs.10/- each so that the company may issue further shares whenever considered necessary.

The proposed increase of the Authorised Capital of the company requires the approval of the members in general meeting in accordance with the related Article in the Articles Association of the company read with Section 94 of the companies Act, 1956. Consequent upon the increase in the Authorised Capital of the company, its Memorandum and Articles of Association would require alteration so as to reflect the increase in share capital. Consequently, Clause V of the memorandum of Association and Article 2(a) of the Articles of Association of the company as set out in item nos.7 and 8 respectively, are proposed to be altered.

The new Article 2(a) (proposed to be substituted), indicated in the Special Resolution set out in item No.8 of the Notice is intended to reflect the Authorised Capital of the company after the said increase. The Board recommends the acceptance of the resolutions for increasing authorised capital as proposed and alteration of the Memorandum and Articles of Association of the company suitably and to that extent.

A copy of the Memorandum and Articles of Association of the company together with the proposed alterations is available for inspection by the members of the company at its Registered Office between 11 a.m. 1 p.m. on any working day of the company.

The Ordinary/special resolutions set out at item No.7 & 8 respectively, in the Notice convening the meeting are intended to obtain such approval and the Board recommends the passing of the resolutions by the members.

None of the Directors is in any way concerned or interested in the said resolutions.

BY ORDER OF THE BOARD OF DIRECTORS

**Bangalore**  
**May 12, 2006**

**K. S. SATHYAPRAKASH**  
**Company Secretary**

**Registered Office:**  
No.29/1, Sir M N Krishna Rao Road  
Basavanagudi,  
Bangalore - 560 004