



Fulfilling Thousands of Dreams



Can Fin Homes Ltd

(Sponsor: **CANARA BANK**)

HOME LOANS ♦ DEPOSITS

Translating Dreams into Reality

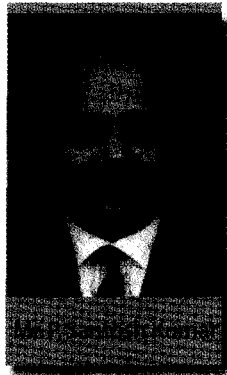
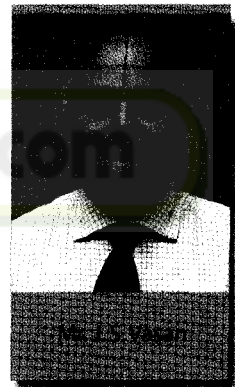
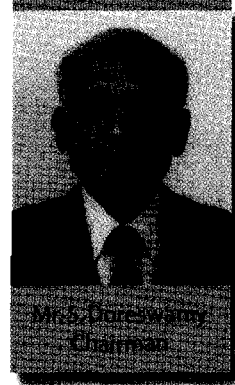
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20th ANNUAL REPORT

2006 - 07

www.reportjunction.com

Board of Directors



BOARD OF DIRECTORS

Mr. S. Doreswamy	Chairman
Mr. R.V.S. Rao	(upto 11.01.2007)
Mr. V.K. Badami	Nominee Director - NHB (upto 27.11.2006)
Mr. Lalit Kumar	Nominee Director-NHB (from 27.11.2006)
Mr. B. Balakrishna Shetty	
Mr. J. S. Vasan	
Mr. P. Santosh Kumar	(from 24.05.2007)
Mr. K. Venkataramaiah	Managing Director (upto 30.08.2006)
Mr. K. Subba Rao	Wholetime Director (from 30.08.2006)

EXECUTIVES**Assistant General Managers**

Mr.G.V.Gopinath
Mr.Rm.Veerappan
Mr.D.K.Manjunath
Mr.N.Vijaygopalan

Asst. General Manager & Company Secretary

Mr.K.S.Sathyaprakash

Chief Managers

Mr.P.Vijayasekhara Raju
Mr.A.R.Gopal
Ms.M.Shamila
Mr.T.Bhaktavatchalam
Mr.Sunil Kumar Mittal
Mr.Chetan.C

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 : canbank_computer@dataone.in

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

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

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED MARCH 31, 2007

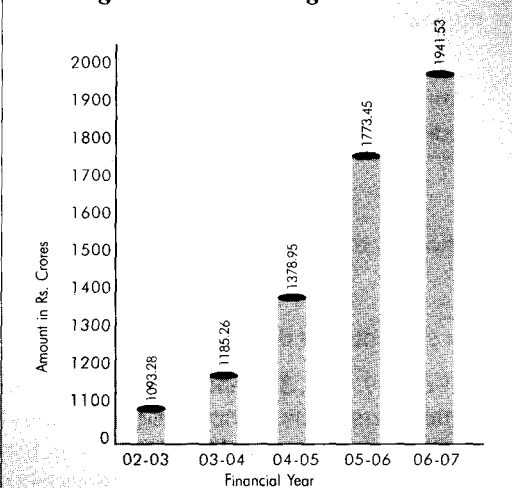
OPERATIONAL HIGHLIGHTS

Rs. in Crores

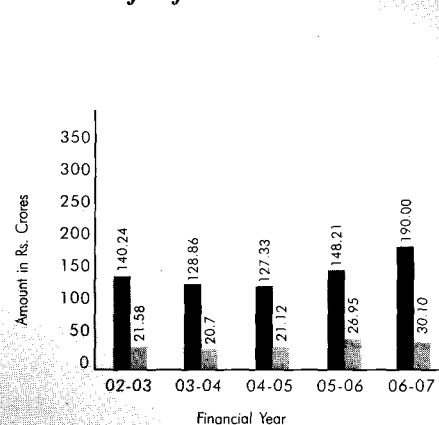
	2002-03	2003-04	2004-05	2005-06	2006-07	Cumulative Figures
Loan approvals	420.80	467.42	531.42	824.88	417.09	4898.63
Loan disbursements	366.32	394.86	456.61	653.95	453.36	4234.35

FINANCIAL HIGHLIGHTS

Gross Income	140.24	128.86	127.33	148.21	190.00
Profit after tax	21.58	20.70	21.12	26.95	30.10
Shareholders funds	128.36	137.41	152.56	173.67	197.78
Deposits	453.63	406.71	325.93	256.84	191.68
Borrowings	517.97	623.42	878.75	1296.87	1554.44
Housing / other loan Outstanding	1093.28	1185.26	1378.95	1773.45	1941.53
Dividend (%)	25	25	25	25	25

Housing Loan Outstanding

■ Gross Income
 ■ Profit after Tax



Can Fin Homes Ltd

NOTICE

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Thursday, the July 19, 2007 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, 2007 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.B.Balakrishna Shetty, 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 the 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 New Branches, if any, to be opened by the company during 2007-08.
(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.K.Subba Rao be and is hereby appointed as a Director of the Company".

"FURTHER RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, approval of the members of the company be and is hereby accorded for the appointment of Mr.K.Subba Rao, Deputy General Manager, as the Wholetime Director of the company for a period of 5 years with effect from August 30, 2006 and for such further extension(s) of service as the Wholetime Director, if any, by Canara Bank, at such remuneration he is entitled to in accordance with the Service Regulations of Canara Bank and any modifications, revisions, thereof that might take place

from time to time and payable by way of reimbursement to Canara Bank, subject to the ceiling limits prescribed by Schedule XIII to the Companies Act, 1956".

6. "RESOLVED that Mr.P.Santosh Kumar be and is hereby appointed as a Director of the Company, liable to retire by rotation".
7. "RESOLVED that in supersession of the Resolution(s) passed at the Fourteenth Annual General Meeting of the Company held on September 19, 2001, the consent of the Company be and is hereby accorded, pursuant 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 sum or sums as they deem requisite for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed together with moneys 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 capital and free reserves of the Company, that is to say Reserves not set apart for any specific purpose, provided that the total amount up to which moneys borrowed by the Board of Directors of the Company shall not exceed Rs.5,000 crore (Rupees Five thousand crore) at any one time".
8. "RESOLVED that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to mortgage and/or create charge on all or any of the assets and properties both immovable and movable, including the undertaking of the Company (including the Company's interest as mortgagee in the various properties belonging to the borrowers 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 powers of attorney in favour of all or any of the persons, firms, bodies corporate, banks, financial institutions as and by way of security for the due repayment of the sums of money together with interest or other moneys due thereon, if any, already borrowed or to be borrowed by the company there from 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 293(1)(d) of the Companies Act, 1956".

"FURTHER RESOLVED that all actions already taken by the Board of Directors of the Company in issuing from time to time covenants for negative pledges/negative liens and in executing in this connection necessary documents including powers of attorney in favour of all or any of the said persons, firms, bodies corporate, banks, financial institutions etc., be and are here by approved, confirmed and ratified".
9. "RESOLVED that Mr. Harikishor Bhattad be and is hereby appointed as a Director of the Company, liable to retire by rotation".

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore
April 28, 2007

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 THERE AT 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

Can Fin Homes Ltd

HOURS BEFORE THE TIME FIXED FOR THE MEETING OR HOLDING 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 9 are enclosed herewith.
3. The Register of Members and Share Transfer Books of the company would remain closed from June 01, 2007 to June 06, 2007 (both days inclusive).
4. Payment of Dividend for the financial year 2006-07, on declaration, will be made on or after July 19, 2007 to those members whose names appear in the Register of Members of the company as on May 31, 2007.
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.
7. Members who have not encashed their dividend warrants for the years from 2000-01 up to 2005-06 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 2001 would be transferred to the Investor Education & Protection Fund (IEPF) on September 18, 2008 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 2006-07 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., 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 (2006-07).
 - (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).



Can Fin Homes Ltd

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 August 30, 2006, appointed Mr.K.Subba Rao, Dy.General Manager, Canara Bank as an Additional Director and then as the Wholetime Director of the company with effect from the above date for a period not exceeding 5 years at the remuneration he is entitled to as per the Service Regulations of Canara Bank and any modifications, revision(s) thereof that may take place from time to time and payable by way of reimbursement to Canara Bank and subject to the ceiling limits prescribed by Schedule XIII to the Companies Act, 1956 ("the Act"). Pursuant to Article 22 of the Articles of Association of the company ("Articles"), read with Section 260 of "the Act", Mr.K.Subba Rao holds office only up to the date of the ensuing Annual General Meeting.

Mr.K.Subba Rao, is a senior banker with over 35 years of commercial banking experience and is in the cadre of Deputy General Manager of the Bank. He is a Master's Degree holder in Arts and a CAIIB.

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.K.Subba Rao, as a Director of the company.

Mr.K.Subba 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 264(1) of "the Act".

The shareholding of Mr.K.Subba Rao (both own or held by/for other persons on a beneficial basis) in the Can Fin Homes Ltd., is 100.

Your Directors feel that the appointment of Mr. K.Subba Rao 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.

This explanatory statement may be treated as an abstract of the terms and conditions governing the appointment of Mr.K Subba Rao pursuant to Section 302 of the Companies Act, 1956.

No Director other than Mr.K.Subba Rao is in any way concerned or interested in the said resolution.

In respect of Item No.6

The Board of Directors of the company, appointed Mr.P.Santosh Kumar, Chartered Accountant, as an Additional Director of the company with effect from May 24, 2007. Pursuant to Article 22 of the Articles of Association of the company ("Articles"), read with Section 260 of "the Act", Mr.P.Santosh Kumar holds office only up to the date of the ensuing Annual General Meeting. 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.P.Santosh Kumar, as a Director of the company.

Mr.P.Santosh Kumar, is a graduate in Commerce from the University of Madras and is a qualified Chartered Accountant from the Institute of Chartered Accountants in England and Wales (ICAEW) in 1971 and is a continuing member of the Institute. He completed his training with a firm of Chartered Accountants in London (UK) between 1965 and 1969 and worked there till June, 1974.

He joined M/s.Brahmayya & Co., Chartered Accountants, a reputed firm of Chartered Accountants in August, 1974 as a partner and continue to occupy that position as of date. He has professionally involved in corporate audits of large companies, structuring and restructuring of corporate bodies, valuation of companies, due diligence reviews of corporate bodies etc., His present assignment includes maintenance of quality standards for the firm. Mr.P.Santosh Kumar, is designated as the "International Contact Partner" for the firm representing in overseas affiliations. He was the Chairman of the Southern India Regional Council of the Institute of Chartered Accountants of India in 1985. He is a member of various professional bodies, institutions and a director in public limited companies.

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.P.Santosh Kumar, as a Director of the company.

Mr.P.Santosh Kumar, 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.