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Can Fin Homes Ltd
(Sponsor : **CANARA BANK**)

24th Annual Report

2010 - 2011



Board of Directors



Mr. P.R. Yagnik



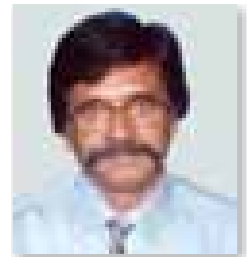
Dr. Ashok K Mittal



Mr. Ashok Kumar Jain



Mr. Anil Kumar Nayyar



Dr. K.K. Deb



Mr. S.R. Iyer



Mr. K.S. Madhava Murthy



Mr. K.R. Vijayendra



Mr. C. Ilango

BOARD OF DIRECTORS

Mr.P.R.Yagnik	Chairman
Dr.Ashok K Mittal	Director (upto 03.02.2011)
Mr.Ashok Kumar Jain	Director
Mr.Anil Kumar Nayyar	Director
Dr.K.K.Deb	Managing Director (upto 29.04.2011)
Mr.S.R.Iyer	Director (from 05.01.2011)
Mr.K.S.Madhava Murthy	Director (from 12.01.2011)
Mr.K.R.Vijayendra	Director (from 29.01.2011)
Mr.C.Ilango	Managing Director (from 29.04.2011)

EXECUTIVES**Assistant General Managers**

Mr.Rm.Veerappan
Mr.P.Vijayasekhara Raju
Mrs.M.Shamila
Mr.T.Bakthavalsalan

**Asst. General Manager &
Company Secretary**

Mr.K.S.Sathyaprakash

Chief Managers

Mr.Sunil Kumar Mittal
Mr.Atanu Bagchi
Mr.Ajay Kumar G.Shettar
Mr.H.V.Shekhar
Mr.A.Madhukar
Mr.B.M.Sudhakar

REGISTRARS & SHARE TRANSFER AGENTS**Canbank Computer Services Ltd.,**

Unit : Can Fin Homes Ltd
R & T Centre, J P Royale
I Floor, No. 218, 2nd Main
Sampige Road, near 14th Cross
Malleswaram, Bangalore - 560 003
Tel : 080-23469661/62, 23469664/65
Fax : 080-23469667/68
E-mail : ccs1@ccsl.co.in / canbankrta@ccsl.co.in

AUDITORS**K P Rao & Co.,**

Chartered Accountants
'Poornima', 25
Madras Bank Road
Bangalore - 560 001

PRINCIPAL BANKERS**Canara Bank****CAN FIN HOMES LTD.,
REGISTERED OFFICE**

No.29/1, I Floor, Sir. M.N.Krishna Rao Road, Basavanagudi, Bangalore - 560004
Tel : 080 -26568687, 26570155, 26564259, 26563646 Fax : 080 - 26565746
E-mail : development@canfinhomes.com
Website : www.canfinhomes.com

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<p>MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING</p>

FINANCIAL HIGHLIGHTS**FOR THE YEAR ENDED MARCH 31, 2011****OPERATIONAL HIGHLIGHTS**

Rs. In Crores

	2006-07	2007-08	2008-09	2009-10	2010-11	Cumulative Figures
Loan approvals	417.09	263.88	356.28	652.86	545.53	6717.18
Loan disbursements	453.36	247.40	300.54	546.90	472.78	5801.99

FINANCIAL HIGHLIGHTS

Gross Income	190.00	221.47	222.91	216.44	231.29
Profit after Tax	30.10	28.40	31.53	39.19	42.02
Shareholder funds	197.78	219.76	246.50	274.89	310.96
Deposits	191.68	160.13	165.35	202.31	149.76
Borrowings	1554.44	1480.88	1480.00	1663.00	1754.03
Housing/other loan outstanding	1941.53	1899.46	1887.18	2106.65	2207.50
Dividend (%)	25	25	20	20	25

NOTICE

NOTICE is hereby given that the TWENTYFOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF **CAN FIN HOMES LTD.,** will be held at 11 A.M. on Wednesday the August 24, 2011 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, 2011 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. P.R.Yagnik, 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, 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 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 2011-12.
(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, Faridabad, 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.S.R.Iyer be and is hereby appointed as a Director of the Company, liable to retire by rotation".
6. "RESOLVED that Mr.K.S.Madhava Murthy be and is hereby appointed as a Director of the Company, liable to retire by rotation".
7. "RESOLVED that Mr.K.R.Vijayendra be and is hereby appointed as a Director of the Company, liable to retire by rotation".
8. "RESOLVED that Mr.C.Ilango be and is hereby appointed as a Director of the Company".

"FURTHER RESOLVED that pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof, approval of the members of the Company be and is hereby accorded to the appointment of Mr.C.Ilango, Deputy General Manager, Canara Bank, as the Managing Director of the Company with effect from the afternoon of April 29, 2011 for a period not exceeding 3 years and further extension, if any, thereof, at such remuneration he is entitled to in accordance with the Service Regulations of Canara Bank and any modifications and revisions thereof that might take place from time to time and payable by way of reimbursement to Canara Bank and on the terms and conditions including remuneration payable to him as the Managing Director as detailed in the explanatory statement attached hereto, provided however that the remuneration payable to Mr.C.Ilango shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof".

"FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings, if any, as may be required and to delegate all or any of its powers herein conferred to any Director(s) or Committee of Directors to give effect to the aforesaid resolutions".

BY ORDER OF THE BOARD OF DIRECTORS

Place : Bangalore

Date : June 09, 2011

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 CAN ATTEND THE MEETING PERSONALLY AND VOTE THEREAT OR IS ENTITLED TO APPOINT A PROXY. A PROXY ATTENDING THE MEETING CAN VOTE ON BEHALF OF THE MEMBER 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 VALID MUST BE RECEIVED BY THE COMPANY 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.**
2. The relative Explanatory Statements, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business vide item Nos.5 to 8 of the notice are enclosed herewith.
3. The Register of Members and Share Transfer Books of the Company would remain closed from Thursday August 18, 2011 to Wednesday August 24, 2011 (both days inclusive) for the purpose of payment of dividend for the financial year 2010-11.
4. Payment of dividend for the financial year 2010-11, on declaration, will be made after August 25, 2011 to those members whose names appear in the Register of Members of the Company as on August 17, 2011.
5. Members are requested to address all correspondence, including on payment of dividend, change of 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., J.P. Royale, I Floor, No.218, 2nd Main, Sampige Road (Near 14th Cross), Malleswaram, Bangalore-560003.
6. The Company has its utmost concern about the environment and as a part of its green initiatives and e-governance and in order to comply with the requirements of Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively, issued by the Ministry of Corporate Affairs (MCA), Government of India, proposes to send documents like the notice convening the general meetings, financial statements, Auditors Report, Report of Directors and the like to the e-mail address provided by the members of the Company to their respective Depositories.

In order to enable the Company to send the official documents to the members in the electronic mode, the members are requested to provide/up-date their e-mail address with their respective Depository Participant so as to ensure that the annual report and other documents reach them on their preferred e-mail Id. Members holding shares in physical mode are requested to update/send their e-mail address to legal@canfinhomes.com and / or ravi@ccsl.co.in; naidu@ccsl.co.in the Registrars and Share Transfer Agents of the Company. Individual letters in this regard is sent to all the shareholders by post.

7. Members who have not encashed their dividend warrants for the years 2003-04 to 2009-10 are requested to approach 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 dividend declared for 2003-04 remaining unclaimed and unpaid as of 31.07.2011, (even after settling the matter in response to the reminders sent by the Company to the respective shareholders) would be transferred to the Investor Education & Protection Fund (IEPF) on completion of 7 years from the date on which it became first due for payment i.e. on 21.07.2004. Members may please note that no claim shall lie against the IEPF or the Company in respect of Dividend 2004 after 21.07.2011.
8. **The shareholders desirous of obtaining any information with regard to the audited annual accounts of the Company for the financial year 2010-11 or on any other related subject 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.**

9. 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.
10. Members holding shares in electronic/de-materialised form may please note that the dividend 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 Reserve Bank of India.
11. Members holding shares in electronic/de-materialised form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants as per the applicable Regulations of the Depositories Act, 1996 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 held in electronic/de-materialised form. Members may therefore give instructions to their Depository Participants immediately, regarding their latest bank account numbers/particulars (comprising 13 digits or otherwise, as the case may be), to which they wish to receive dividend.
12. Members holding shares in physical mode are requested to furnish their latest bank account numbers/particulars (comprising 13 digit or otherwise, as the case may be), directly to the Registrars and Share Transfer Agents for incorporation of the same on the dividend warrants. This would also facilitate for payment of dividend through ECS/NECS, based on the request, if any, received from the respective shareholders.
- 13. Members attending the Annual General Meeting are requested to bring the following (as applicable):**
 - (a) DP & Client ID Number(s), by Members holding shares in de-materialised form.
 - (b) Folio number(s), by Members holding shares in physical form.
 - (c) Copy of the Annual Report (2010-11).
 - (d) Attendance Slip duly completed and signed by the respective members or valid proxies, 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 or governing body, authorising their representative to attend and vote at the Annual General Meeting.
14. The Company would accept the Attendance Slip only from a Member actually attending the Meeting or from a valid Proxy i.e., under a valid Proxy Form registered with the Company not less than 48 hours prior to the Meeting.

ANNEXURE TO THE NOTICE

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

In respect of Item No.5

The Board of Directors of the Company, appointed Mr.Subramaniam Ramachandran Iyer (Mr.S.R.Iyer) as an Additional Director of the Company with effect from January 05, 2011. Pursuant to Article 22 of the Articles of Association of the Company ("Articles"), read with Section 260 of the Companies Act, 1956 "the Act", Mr.S.R.Iyer holds office only up to the date of the ensuing Annual General Meeting.

Mr.S.R.Iyer is a degree holder in Science and a CAIIB. Mr.S.R.Iyer had varied and extensive experience in commercial banking, international banking and merchant banking in SBI Group. He joined SBI as a Probationary Officer in 1962 and after holding various positions in India and abroad, retired as the Managing Director of State Bank of India. He was the General Manager in the SBI Capital Markets Ltd., for 5 years.

Mr.S.R.Iyer served on the Boards of 15 subsidiaries and associates of SBI while working as Deputy Managing Director (Associates & Subsidiaries) in SBI. He has also served on the Boards of National Stock Exchange, SBI Card & Payment Services P. Ltd., GE Capital Business Process Management Services P. Ltd., SBI (California), SBI International (Mauritius) Ltd.

He was the Executive Chairman of Credit Information Bureau (India) Ltd. (CIBIL) after retiring from SBI as Managing Director, for 3 years (2001-2004). Mr.S.R.Iyer was a member of the "High Level Expert Committee to review the functioning of National Minorities Development & Finance Corporation" constituted by the Govt. of India (2006-07).

Presently, Mr.S.R.Iyer is on the Boards of nine Companies (3 listed and 6 unlisted) as independent and non-executive director and Chairman of the Audit Committee in eight companies (3 listed and 5 unlisted). Also he is a member of the Investment Committee of National Dairy Development Board.

The Company has received a notice in writing from a member of the Company, under Section 257 of "the Act" signifying their intention to propose the appointment of Mr.S.R.Iyer, as a Director of the Company.

Mr. S.R.Iyer 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.S.R.Iyer, 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.

Your Directors are of the opinion that the appointment of Mr.S.R.Iyer as a director 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.S.R.Iyer 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.K.S.Madhava Murthy as an Additional Director of the Company with effect from January 12, 2011. Pursuant to Article 22 of the Articles of Association of the Company ("Articles"), read with Section 260 of the Companies Act, 1956 "the Act", Mr.K.S.Madhava Murthy holds office only up to the date of the ensuing Annual General Meeting.

Mr.K.S.Madhava Murthy is a degree holder in Commerce and a Fellow of the Institute of Chartered Accountants of India (ICAI). He is a senior partner of M/s MNS & Co., Chartered Accountants for the last 20 years. He has wide experience in auditing of corporate and non-corporate entities, including PSUs and public sector banks. He is also engaged in consultation on tax matters.

Mr.K.S.Madhava Murthy was a Member of the Management Committee of the Bangalore Branch of SIRC of ICAI since 1994 and held various positions including its Chairmanship in the year 2002-03, during which time the