



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

# 25<sup>th</sup> Annual Report 2011 - 2012



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## Board of Directors



Mr. S.R. Iyer



Mr. C. Ilango



Mr. Anil Kumar Nayyar



Mr. K.S.Madhava Murthy



Mr. K.R.Vijayendra



Mr. P.B. Santhanakrishnan

**BOARD OF DIRECTORS**

<b>Mr.P.R.Yagnik</b>	<b>Chairman</b> (upto 30.01.2012)
<b>Mr.S.R.Iyer</b>	<b>Chairman</b> (from 16.02.2012)
<b>Mr.C.Ilango</b>	<b>Managing Director</b>
<b>Mr.Ashok Kumar Jain</b>	<b>Director</b> (upto 19.01.2012)
<b>Mr.Anil Kumar Nayyar</b>	<b>Director</b>
<b>Mr.K.S.Madhava Murthy</b>	<b>Director</b>
<b>Mr.K.R.Vijayendra</b>	<b>Director</b>
<b>Mr.P.B.Santhanakrishnan</b>	<b>Director</b> (from 16.02.2012)

**EXECUTIVES****Assistant General Managers**

Mr.Rm.Veerappan  
Mr.P.Vijayasekhara Raju  
Mrs.M.Shamila  
Mr.T.Bakthavalsalan (upto 31.05.2012)  
Mr.Sunil Mittal  
Mr.Atanu Bagchi  
Mr.Ajay Kumar G Shettar

**Asst. General Manager & Company Secretary**

Mr.K.S.Sathyaprakash

**Chief Managers**

Mr.A.Madhukar  
Mr.B.M.Sudhakar  
Mr.V.Durga Rao  
Mr.N.Babu  
Mr.G K Nagaraja Rao  
Mr.Prashanth Shenoy  
Mr.R. Murugan  
Mr.M.Sundar Raman

**REGISTRARS & SHARE TRANSFER AGENTS**

**Canbank Computer Services Ltd.,**  
Unit : Can Fin Homes Ltd.,  
R & T Centre, J.P. Royale  
I Floor, No.218, 2<sup>nd</sup> Main  
Sampige Road (Near 14<sup>th</sup> Cross)  
Malleshwaram, Bangalore-560 003  
Tel : 080-23469661/62, 23469664/65  
Fax : 080-23469667/68  
E-mail : ccsl@ccsl.co.in

**AUDITORS**

**K P Rao & Co.,**  
Chartered Accountants  
'Poornima', 25  
State 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-560 004  
Tel : 080-26568687, 26570155, 26564259, 26563646 Fax : 080-26565746  
E-mail : development@canfinhomes.com  
Website : www.canfinhomes.com

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<p><b>MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING</b></p>
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**OPERATIONAL & FINANCIAL HIGHLIGHTS****FOR THE YEAR ENDED MARCH 31, 2012****OPERATIONAL HIGHLIGHTS**

₹ in crore

	2007-08	2008-09	2009-10	2010-11	2011-12	Cumulative Figures
Loan approvals	263.88	356.28	652.86	545.53	1105.41	7822.59
Loan disbursements	247.40	300.54	546.90	472.78	859.07	6661.06

**FINANCIAL HIGHLIGHTS**

Gross Income	221.47	222.91	216.44	231.29	286.83
Profit after Tax	28.40	31.53	39.19	42.02	43.76
Shareholder funds	219.76	246.50	274.89	310.96	347.57
Deposits	160.13	165.35	202.31	149.76	143.89
Borrowings	1480.88	1480.00	1663.00	1754.03	2139.77
Housing/other loan outstanding	1899.46	1887.18	2106.65	2207.50	2674.39
Dividend (%)	25	20	20	25	30

## NOTICE

NOTICE is hereby given that the TWENTYFIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF **CAN FIN HOMES LTD.**, will be held at 11 A.M. on Wednesday the August 08, 2012 at the J.S.S. Mahavidya Peetha, Shivarathreeswara Centre Auditorium, 1<sup>st</sup> Main, 8<sup>th</sup> Block, Jayanagar, Bangalore-560 082 to transact the following business:

### Ordinary Business

#### Agenda No.1 - Adoption of accounts

To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss account for the year ended that date together with the Report of the Directors and Auditors.

#### Agenda No.2 - Declaration of dividend

To declare a dividend for the financial year ended March 31, 2012.

#### Agenda No.3 - Re-appointment of Mr.Anil Kumar Nayyar

To appoint a Director in the place of Mr.Anil Kumar Nayyar, who retires by rotation and being eligible, offers himself for re-appointment.

#### Agenda No.4 - Appointment of Auditors

To appoint statutory auditors and to authorise the Board of Directors to appoint branch auditors to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM on such remuneration as may be determined by the Board of Directors of the Company and consider and if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

“RESOLVED that pursuant to the provisions of Section 224A and all other applicable provisions, if any, of the Companies Act, 1956, M/s.K.P.Rao & Co., Chartered Accountants, be and are hereby re-appointed as statutory 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 pursuant to the provisions of Section 228 and all other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to appoint any person(s) qualified for appointment as auditor of the Company under Section 226, as Branch Auditors for audit of any of the Branches of the Company, present and future, until the conclusion of the next Annual General Meeting on such terms and conditions, in consultation with the auditors of the Company and fix their remuneration in addition to reimbursement of out-of-pocket expenses incurred by them for the purpose of conducting the audit of any branch office(s)”.

### Special Business

#### As an Ordinary Resolution

#### Agenda No.5 - Appointment of Mr.P.B.Santhanakrishnan as a Director, liable to retire by rotation.

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

“RESOLVED that in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr.P.B.Santhanakrishnan, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 22 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

**By Order of the Board of Directors**

Sd/-

**K.S.SATHYAPRAKASH**  
Company Secretary

Place : Bangalore  
Date : June 12, 2012

#### 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. 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 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.*
3. The relative Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business vide Agenda No.5 of the notice is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company would remain closed from Thursday, the July 26, 2012 to Wednesday the August 08, 2012 (both days inclusive) for the purpose of payment of dividend, if any, for the financial year 2011-12.
5. Payment of dividend for the financial year 2011-12, on declaration, will be made after August 08, 2012 to those members whose names appear in the Register of Members of the Company as on July 25, 2012.
6. In terms of the guidelines issued by the Reserve Bank of India, with effect from April 02, 2012 the cheques/ drafts/pay orders/bankers cheques bearing that date or any subsequent date should be presented for payment within a period of three months from the date of such instrument.
7. Members are requested to address all correspondence, including 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, 2<sup>nd</sup> Main, Sampige Road (near 14<sup>th</sup> Cross), Malleshwaram, Bangalore-560 003 (hereinafter referred to as the 'R & T Agents' for the sake of convenience).
8. In recognition and support to the green initiative taken by the Ministry of Corporate Affairs (MCA), Government of India, your Company has been sending the annual reports including report of directors, report on corporate governance, general information to the shareholders, to the registered e-mail IDs of the members. Other initiatives taken by your Company include ECS facility for repayment of loans, paperless banking, sending official communications by way scanned images and harnessing solar energy for lighting and computer operations at Karur, Madurai, Salem and P.N.Palayam branches of the Company.
9. In order to enable the Company to send the official documents to the members in the electronic mode, the members who have not yet registered their e-mail IDs are requested to register their e-mail address with the Company (legal@canfinhomes.com or compsec@canfinhomes.com)/R & T Agents (ravi@ccsl.co.in or naidu@ccsl.co.in)/their respective Depository Participant (DP) as the case may be, so as to ensure that the annual report and other documents reach them on their preferred e-mail Id.
10. Members who have not encashed their dividend warrants for the years 2005-06 to 2010-11 are requested to approach the R & T Agents of the Company at the earliest. Pursuant to the provisions of Section 205A & 205C of the Companies Act, 1956, the dividend declared for 2004-05 remaining unclaimed and unpaid as of July 19, 2012, would be transferred to the Investor Education & Protection Fund (IEPF) on completion of 7 years. Members may please note that no claim shall lie against the IEPF or the Company in respect of Dividend 2005 after July 19, 2012.

11. 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 provided by the National Securities Depository Ltd., (NSDL)/ Central Depository Services (India) Ltd., (CDSL) would be credited to the respective beneficial owner's bank account through the Electronic Clearing Services (ECS), subject to availability of ECS/NECS facility at such centers notified by the Reserve Bank of India from time to time. The latest bank account details as furnished by the respective Depositories only will be printed on the 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 etc.
12. Instructions, if any, already given by the members holding shares in physical form to the Company will not automatically be applicable to the dividend paid on shares held in electronic/de-materialised form.
13. The 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 R & T Agents for incorporation of the same on the dividend warrants. This would also facilitate payment of dividend through ECS, based on the request, if any, received from the respective shareholders.
- 14. 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.
  - (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.
15. 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 in Form-2B (in duplicate) to the Registrars and Share Transfer Agents of the Company for registering the nominations, if any.
16. The members desirous of obtaining any information with regard to the audited annual accounts of the Company for the financial year 2011-12 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.



## **Annexure to the Notice**

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

### **In respect of Agenda No.5**

The Board of Directors of the Company, appointed Mr.PB.Santhanakrishnan as an Additional Director of the Company with effect from February 16, 2012 pursuant to Article 22 of the Articles of Association of the Company ("Articles"), read with Section 260 of "the Act", Mr.PB.Santhanakrishnan holds office only up to the date of the ensuing Annual General Meeting.

Mr.PB.Santhanakrishnan is a degree holder in Science and a Fellow of the Institute of Chartered Accountants of India (ICAI). He is a senior partner of M/s.PB.Vijayaraghavan & Co., Chartered Accountants, Chennai which is also the Central Statutory Auditors of the Life Insurance Corporation of India. He has a 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 and representation before SEBI/SAT/CBDT & ITAT on Corporate and Income Tax matters.

Mr.PB.Santhanakrishnan is a former member of the RBI Committee on RTGS. He has held various positions in other organisations and has an experience of about 32 years in the profession. Presently, he is a director on the Board Oriental Bank of Commerce and IQ Infotech Ltd., and a member of Audit Committee and Shareholders/Investors' Grievance Committees.

The Company has received a notice in writing from a member of the Company, under Section 257(1) of "the Act" signifying their intention to propose the appointment of Mr.PB.Santhakrishnan as a Director of the Company. Mr.PB.Santhanakrishnan 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.PB.Santhanakrishnan, 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. He is not disqualified from being appointed a director in terms of Section 274(1)(g) of "the Act" the requisite Form DD-A is received from Mr.PB.Santhanakrishnan by the Company, in terms of the Companies (Disqualification of Directors under Section 284(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

Your Directors are of the opinion that the appointment of Mr.PB.Santhanakrishnan as a director would be in the best interest of the Company and accordingly recommend passing of the resolution proposed at Agenda No.5 of the Notice. No Director other than Mr.PB.Santhanakrishnan is in any way concerned or interested in the said resolution.

**By Order of the Board of Directors**

Sd/-

**K.S.SATHYAPRAKASH**

Company Secretary

Place : Bangalore

Date : June 12, 2012

**Registered Office :**

No.29/1, I Floor

Sir M N Krishna Rao Road

Basavanagudi, Bangalore-560 004

## REPORT OF DIRECTORS

### TO THE MEMBERS,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report of the business and operations of the Company together with the audited accounts for the year ended March 31, 2012, the Silver Jubilee Year of your Company.

### FINANCIAL RESULTS

The financial performance for fiscal 2012 is summarised here below:

	For the year ended March 31, 2012 (₹ in lakh)	For the year ended March 31, 2011 (₹ in lakh)
Profit before Tax & Provisions	<b>6830.88</b>	5997.11
Less: Provision for Standard Assets	<b>1100.00</b>	—
Provision for Doubtful Debts - Housing Loans	<b>(361.16)</b>	145.58
Prior Period adjustments	<b>(5.53)</b>	—
<b>PROFIT BEFORE TAX</b>	<b>6097.57</b>	5851.53
Tax expenses:		
(a) Provision for Tax - Current Year	<b>1780.00</b>	1725.00
(b) Deferred Taxation	<b>(58.42)</b>	(75.07)
<b>PROFIT AFTER TAX</b>	<b>4375.99</b>	4201.60
Balance brought forward from previous year	<b>936.89</b>	480.50
	<b>5312.88</b>	4682.10
<b>Appropriations:</b>		
Transfer to Special Reserve u/s.36(1)(viii) of the Income Tax Act, 1961	<b>1350.00</b>	1150.00
Transfer to General Reserve	<b>2700.00</b>	2000.00
Proposed Dividend	<b>614.62</b>	512.13
Tax on Distributed Profits	<b>99.71</b>	83.08
Provision for Contingencies	—	—
Balance carried forward	<b>548.55</b>	936.89
	<b>5312.88</b>	4682.10

### PERFORMANCE HIGHLIGHTS

#### SANCTIONS

During the year, the housing loans and other loans sanctioned were to the extent of ₹1105.41 crore registering a growth of 102.63% over the previous year. The cumulative loan sanctions since inception of the Company, as at the end of the financial year 2011-12, was ₹7822.59 crore.

#### DISBURSEMENT

During the year, the loans disbursed were to the extent of ₹859.07 crore registering an increase of 81.71% over the previous year. The cumulative loan disbursements since inception of the Company as at the end of the financial year 2011-12 stood at ₹6661.06 crore.