



ANNUAL REPORT
2012 - 2013



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



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Board of Directors



Mr. S.R. Iyer



Mr. C. Ilango



Mr. K.S. Madhava Murthy



Mr. K.R. Vijayendra



Mr. P.B. Santhanakrishnan



Mr. S. Krishna Kumar



Mr. S.A. Kadur

BOARD OF DIRECTORS

Mr.S.R.Iyer	Chairman
Mr.C.Ilango	Managing Director
Mr.Anil Kumar Nayyar	Director (upto 31.12.2012)
Mr.K.S.Madhava Murthy	Director
Mr.K.R.Vijayendra	Director
Mr.P.B.Santhanakrishnan	Director
Mr.S.Krishna Kumar	Director (from 20.02.2013 and upto 26.04.2013)
Mr.S.A.Kadur	Director (from 07.06.2013)

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
 Mr.B.M.Sudhakar

Asst. General Manager & Company Secretary

Mr.K.S.Sathyaprakash

Chief Managers

Mr.A.Madhukar
 Mr.V.Durga Rao
 Mr.N.Babu
 Mr.G.K.Nagaraja Rao
 Mr.Prashanth Shenoy
 Mr.R.Murugan
 Mr.M.Sundar Raman
 Mr.Jagadeesha Acharya
 Mr.H.R.Narendra
 Mr.Prakash Shanbogue

REGISTRARS & SHARE TRANSFER AGENTS

Canbank Computer Services Ltd.,
 Unit : Can Fin Homes Ltd.,
 R & T Centre, J.P. Royale
 1st Floor, No.218, 2nd Main
 Sampige Road (Near 14th Cross)
 Malleshwaram, Bengaluru-560 003
 Tel : 080-23469661/62, 23469664/65
 Fax : 080-23469667/68
 E-mail : canbankrta@ccsl.co.in

AUDITORS

K P Rao & Co.,
 Chartered Accountants
 'Poornima', II floor,
 25, State Bank Road
 Bengaluru-560 001

PRINCIPAL BANKERS

Canara Bank

**Can Fin Homes Ltd.,
REGISTERED OFFICE**

No.29/1, I Floor, Sir M.N.Krishna Rao Road, Basavanagudi, Bengaluru-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>MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING</p>

OPERATIONAL & FINANCIAL HIGHLIGHTS**FOR THE YEAR ENDED MARCH 31, 2013****OPERATIONAL HIGHLIGHTS**

₹ in crore

Parameters	2008-09	2009-10	2010-11	2011-12	2012-13	Cumulative Figures
Loan approvals	356.28	652.86	545.53	1105.41	2092.65	9915.24
Loan disbursements	300.54	546.90	472.78	859.07	1813.77	8474.83

FINANCIAL HIGHLIGHTS

₹ in crore

Gross Income	222.91	216.44	231.29	286.83	392.69
Profit after Tax	31.53	39.19	42.02	43.76	54.12
Dividend (%)	20	20	25	30	40
Shareholder funds	246.50	274.89	310.96	347.57	392.17
Deposits	165.35	202.31	149.76	143.89	171.45
Borrowings	1480.00	1663.00	1754.03	2139.77	3367.44
Loan outstanding	1887.18	2106.65	2207.50	2674.39	4016.15
Gross NPA	26.69	22.46	23.47	19.01	15.66
No. of Branches	40	40	41	52	69

NOTICE

NOTICE is hereby given that the TWENTYSIXTH ANNUAL GENERAL MEETING OF THE MEMBERS OF CAN FIN HOMES LTD., will be held at 11 A.M. on Wednesday the August 07, 2013 at the J.S.S. Shivarathreeshwara Centre Auditorium, 1st Main, 8th Block, Jayanagar, Bengaluru-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, 2013 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, 2013.

Agenda No.3 – Re-appointment of Mr.K.S.Madhava Murthy

To appoint a Director in the place of Mr.K.S.Madhava Murthy 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 of the Companies Act, 1956, as Branch Auditors for audit of any of the Branches of the Company, present and future, to hold office from the conclusion of this meeting 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.S.A.Kadur 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.S.A.Kadur 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”.

Agenda No.6 – Increase of the borrowing powers of the Board of Directors of the Company to ` 10,000/- Crore.

“RESOLVED that in supersession of the Resolution(s) passed at the Twentieth Annual General Meeting of the Company held on July 19, 2007, 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 upto which moneys borrowed by the Board of Directors of the Company shall not exceed ` 10,000/- Crore (Rupees Ten Thousand Crore), at any one time”.

By Order of the Board of Directors

Place : Bengaluru
Date : June 07, 2013

Sd/-
K.S.SATHYAPRAKASH
Company Secretary

Registered Office :
No.29/1, I Floor
Sir M N Krishna Rao Road
Basavanagudi, Bengaluru-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 Statements, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business vide agenda No.5 and 6 of the notice are enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company would remain closed from Wednesday, the July 24, 2013 to Wednesday, the August 07, 2013 (both days inclusive) for the purpose of payment of dividend, if any, for the financial year 2012-13.
5. Payment of dividend for the financial year 2012-13, on declaration, will be made after August 08, 2013 to those members whose names appear in the Register of Members of the Company as on July 23, 2013. The Members receiving dividend through dividend warrants/cheques are required to present the said instruments within a period of three months from the date of such instrument.
6. Members are requested to address all correspondence including relating to payment of dividend, change of address to the Registrars and Share Transfer Agents of the Company viz., 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), Malleshwaram, Bengaluru-560003 (hereinafter referred to as the 'R & T Agents' for the sake of convenience).
7. 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 etc., to the registered e-mail IDs of its members.
8. As per the records of the Company, some of the members have not registered their e-mail address/updated their e-mail IDs with their respective Depository Participant (DP)/the Company. Members, who wish to receive the annual report and other related documents in electronic form, are requested to ensure compliance as per para (9) to (11) below.
9. Members holding equity shares of the Company in physical form, are requested to register their e-mail address with the Company (e-mail ID: legal@canfinhomes.com or compsec@canfinhomes.com) /R&T Agents of the Company (e-mail IDs: ravi@ccsl.co.in or naidu@ccsl.co.in). Members holding equity shares of the Company in electronic form are requested to register their e-mail Id with their DP so as to ensure that the annual reports etc., would reach them on their preferred e-mail Id. However, please note that as a Member of the Company you are entitled to receive a hard copy of the annual report etc., at a request, free of cost.
10. SEBI vide its Circular dated March 21, 2013 has made it mandatory for the companies to make payment to its investors using electronic mode viz., ECS, NECS, RTGS, NEFT etc. In this regard, in respect of members holding shares in physical form, the Company and/or its R & T Agents are expected to maintain the bank account particulars of its investors together with the related IFSC Code. In the above Circular, the respective DPs are also instructed to maintain such details pertaining to the members holding shares in demat mode.

In this regard, the forms (separate for physical and demat holders) for furnishing Bank account particulars with the related IFSC Code, are made available on the website of the Company viz., www.canfinhomes.com for download by the members and submission to the Company. The said forms are also made available at the end of this Annual Report. Members who have not yet complied with the above requirement are requested to immediately send required particulars for enabling the Company/R & T Agents to pay dividends in electronic mode.

11. Members holding shares in electronic/de-materialised form may please note that while printing the bank account particulars on the dividend warrants, the particulars as provided by the National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL) only will be considered for crediting the amount directly to the respective beneficial owners' bank account as per the regulations of Depositories Act, 1996. Hence, the Company will not be in a position to act on any direct request from such demat holders for any change.
12. Instructions, if any, already given by the members to the Company while holding shares in physical form will become redundant on conversion of shares to demat mode. The details provided by the NSDL/CDSL as mentioned in para (11) above will only be considered for all purposes including for payment of dividend.
13. Members who have not encashed their dividend warrants for the years 2006-07 to 2011-12 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 2005-06 remaining unclaimed and unpaid as on August 02, 2013, 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 2006 after August 01, 2013.
14. Nomination facility: Consequent to the introduction of Section 109A of the Companies Act, 1956 and as has been already brought to the notice of the members, individual members are entitled to register nomination in respect of the shares held by them in Form-2B (in duplicate) to the R & T Agents of the Company. The said form is available on website of the Company for download.
15. The members desirous of obtaining any information with regard to the audited annual accounts of the Company for the financial year 2012-13 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.
16. **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. (Signatures should be as per the specimen 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.

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.S.A.Kadur as an Additional Director of the Company with effect from June 07, 2013 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.A.Kadur holds office only up to the date of the ensuing Annual General Meeting.

Mr.S.A.Kadur, is a B.E.,(Mechanical) engineering graduate. Mr.S.A.Kadur started his career as a Technical Field Officer in Canara Bank in February, 1984. During his service in the Bank over a period of 29 years, he has served in different branches of the Bank, including Prime Corporate Branch at Pune and Chennai, Circle Office, Mumbai, Corporate Merchant Banking Division, Mumbai and Risk Management Wing at the Head Office. He is presently working as the General Manager, Prime Corporate Credit Wing, Head Office, Bengaluru.

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.S.A.Kadur as a Director of the Company. Mr.S.A.Kadur, 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.A.Kadur, 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 as a director in terms of Section 274(1)(g) of "the Act" and the requisite Form DD-A is received from Mr.S.A.Kadur, by the Company, in terms of the Companies (Disqualification of Directors under Section 274(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.S.A.Kadur, 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.S.A.Kadur is in any way concerned or interested in the said resolution.

In respect of Agenda No.6

At the 20th Annual General Meeting of the Company held on July 19, 2007, consent of the shareholders was obtained u/s.293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing monies in excess of the aggregate of the paid up capital and free reserves of the Company upto a limit of ` 5,000 Crore (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business).

Further at the said meeting the members have already authorised the Board of Directors to mortgage and/or to create charge on all or any of the assets and properties, immovable and movable, including undertaking(s) of the Company and also 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 the lenders by way of security for such borrowings 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 Act".

With the business operations of the Company growing, Company's requirements for additional funds have also increased and the aforesaid limit of ` 5,000 Crore is likely to exceed during the current financial year/ in the near future, because of the anticipated growth in the activities and operations of the Company. Hence, pursuant to the provisions of Section 293(1)(d) of "the Act", consent of the members is sought through the resolution(s) proposed at agenda No.6 to enable the Board of Directors of the Company to borrow moneys upto a sum of ` 10,000 Crore.

Your Directors therefore, recommend the passing of the resolution proposed at Agenda No.6 of the Notice. None of the Directors is in any way concerned or interested in the said resolution(s).

By Order of the Board of Directors

Sd/-

K.S.SATHYAPRAKASH

Company Secretary

Place : Bengaluru

Date : June 07, 2013

Registered Office :

No.29/1, I Floor Sir M N Krishna Rao Road

Basavanagudi, Bengaluru-560 004