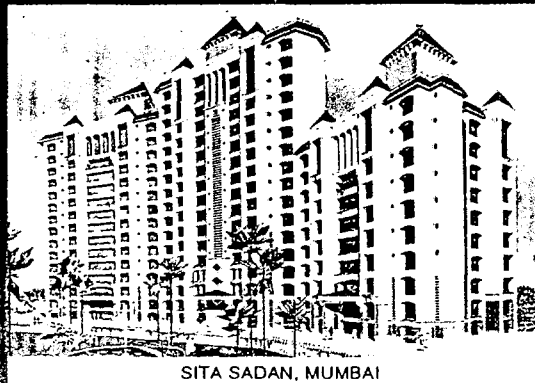
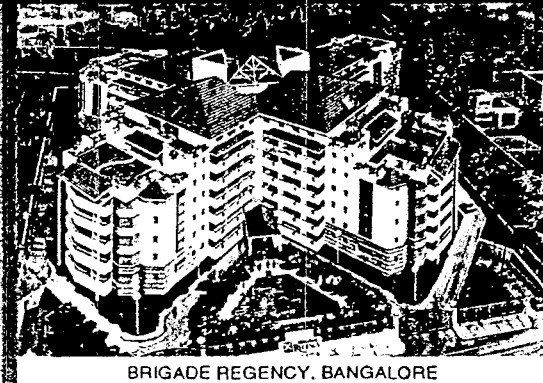


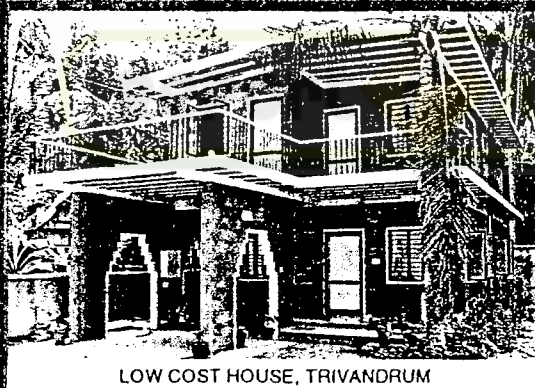
10th ANNUAL REPORT 1996-97



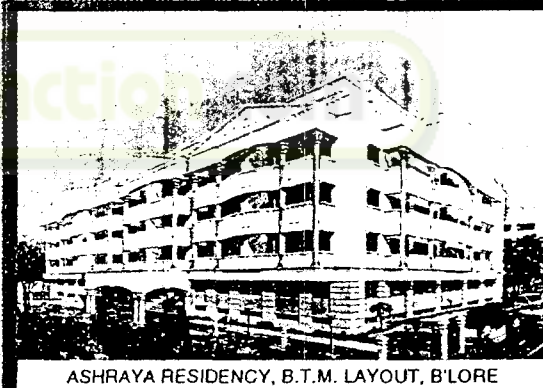
SITA SADAN, MUMBAI



BRIGADE REGENCY, BANGALORE



LOW COST HOUSE, TRIVANDRUM



ASHRAYA RESIDENCY, B.T.M. LAYOUT, B'LORE

A DECADE OF EXCELLENCE 1987-97



Can Fin Homes Ltd
(Sponsor: CANARA BANK)



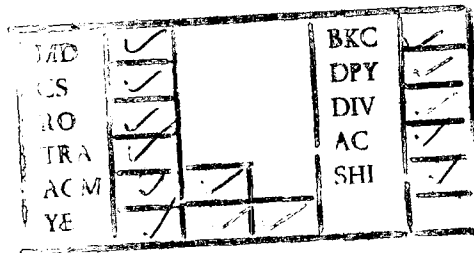
*Inauguration of CHANDIGARH branch by Sri K K Mudgil,
Executive Director, National Housing Bank, New Delhi.
Sri R J Kamath, Executive Director, Canara Bank is also seen*



*Inauguration of PATNA branch by
Sri S P Ghosh, Executive Director, National Housing Bank*



*Inauguration of COCHIN branch by
Sri T Sivadasa Menon, Hon. Minister of Finance, Govt. of Kerala.*

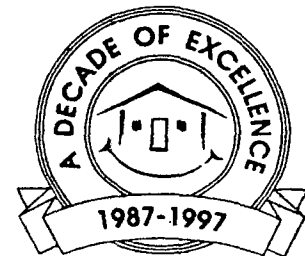


TENTH ANNUAL REPORT 1996-97



Contents

Board of Directors	2
Notice	4
Chairman's Statement	10
Directors' Report	12
Auditors' Report	17
Balance Sheet	20
Profit & Loss Account	21
Schedules Forming Part of the Accounts	22
Notes on Accounts	30
Accounting Policies	32
Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 and Cash Flow Statement	33



HIGHLIGHTS						
OPERATIONAL HIGHLIGHTS						(Rs. in crores)
	1992-93	1993-94	1994-95	1995-96	1996-97 Cumulative	
Loan Approvals	69.75	139.64	135.31	130.48	131.22	955.05
Loan Disbursements	58.48	82.70	115.59	125.15	102.80	773.88
FINANCIAL HIGHLIGHTS						(Rs. in crores)
Gross Income	53.45	59.91	70.81	83.38	94.16	
Profit after Tax	5.32	7.71	10.84	11.56	12.10	
Shareholders Funds	36.00	40.04	46.91	54.62	62.12	
Deposits	165.56	208.38*	232.67*	261.81*	316.81*	
Borrowings	143.28	147.26	180.09	206.29	202.39	
Housing Loan Outstanding	281.73	326.02	385.36	452.62	483.70	
Dividend (%)	16.00	18.00	20.00	20.00	20.00	
* inclusive of interest accrued but not due						



Mr. T R Sridharan
Chairman & Managing Director, Canara Bank



Mr. Deepak M Satwalekar



Mr. R J Kamath
Vice Chairman



Mr. Satish Ajmera



Mr. Manu Chadha



Ms. I T Vaz



Mr. A Abdul Huq



Mrs. Savita Sehgal



Mr. R V Verma



Mr. R V S Rao



Mr. M N Shenoy
Managing Director

BOARD OF DIRECTORS CAN FIN HOMES LTD.,

Mr. J V Shetty
Chairman (upto August 31, 1996)

Mr. R J Kamath
Vice-Chairman (from October 23, 1996)

Mr. Deepak M Satwalekar

Mr. Satish Ajmera

Mr. Manu Chadha

Mr. A R Prabhu
(Nominee Director - Unit Trust of India
upto August 28, 1996)

Ms. I T Vaz
(Nominee Director - Unit Trust of India
from September 9, 1996)

Mr. K N Kamath
(upto October 15, 1996)

Mr. A Abdul Huq
(from January 22, 1997)

Mrs. Savita Sehgal
(from March 22, 1997)

Mr. P K Handa
(Nominee Director - National Housing Bank
upto May 13, 1997)

Mr. R V Verma
(Nominee Director - National Housing Bank
from June 27, 1997)

Mr. R V S Rao
(Alternate to Mr. Deepak M Satwalekar)

Mr. M N Shenoy
Managing Director



TENTH ANNUAL REPORT 1996-97

EXECUTIVES & SECTION HEADS AT REGISTERED OFFICE

General Manager

Mr. K P Kamath

Asst. General Manager

Mr. J N Shetty

Company Secretary

Mr. K S Sathyaprakash

Chief Manager - Accounts

Mr. R Jairam

Chief Manager - Credit

Mr. N V Rangaswamy

Chief Manager - Inspection

Mr. D K Manjunath

Chief Manager - E D P

Mr. P Aravindhan

Senior Manager - Personnel & Admn.

Mr. A R Gopal

Senior Officer - Development

Mr. B M Sudhakar

BRANCH HEADS

REGISTERED OFFICE

"Shanti Kutir", No. 32

II Floor, Race Course Road

Bangalore 560 001

Tel. Nos. : 2267229, 2281209

Grams : GRIHANIRMAN

Telex : 08458979-CFHL IN

Fax : 2281208

PRINCIPAL BANKERS

Canara Bank

AUDITORS

K P Rao & Company

Chartered Accountants

LEGAL ADVISOR

Mr. Kalasa Shamanna

REGISTRARS & SHARE**TRANSFER AGENTS**

Canbank Financial Services Ltd.

R & T Centre

Hotel Broadway Complex

19, Kempegowda Road

Bangalore 560 009

Tel : 2872461, 2872462, 2872521

Fax : 2872804

1.	Ahmedabad	Mr. P Felix
2.	Cunningham Road, Bangalore	Mrs. M Shamila
3.	Jayanagar, Bangalore	Mr. P Vijaya Sekhara Raju
4.	Vijayanagar, Bangalore	Mr. H V Shekhar
5.	Koramangala, Bangalore	Mr. A Pitchaiah
6.	Bhopal	Mr. Atanu Bagchi
7.	Bhubaneshwar	Mr. Srinivas Malladi
8.	Calicut	Mr. S Manoj Kumar
9.	Chandigarh	Mr. V Vijay Kiran
10.	Chennai	Mr. Rm Veerappan, Chief Manager
11.	Cochin	Mr. P Manikandan
12.	Coimbatore	Mr. T Bakthavatchalam
13.	Davanagere	Mr. C G Thimmaiah
14.	Dharwad	Mr. G K Nagaraja Rao
15.	Goa	Mr. B Jagadish Nayak
16.	Hyderabad	Mr. G V Gopinath, Chief Manager
17.	Jaipur	Mr. A L Ramaswamy
18.	Lucknow	Mr. Jagadeesha Acharya
19.	Madurai	Mr. P Kanniyappan
20.	Mangalore	Mr. P Sathyanarayana Malliya
21.	Mumbai	Mr. K Gopinath, Chief Manager
22.	Mysore	Mr. A Madhukar
23.	New Delhi	Mr. K Suresh Rao, Asst. General Manager
24.	Noida	Mr. Sunil Kumar Mittal
25.	Patna	Mr. H R Narendra
26.	Pondicherry	Mr. G Kannan
27.	Poona	Mr. K Poorna Prakash
28.	Trichur	Mr. Shane Wilfred Morris
29.	Trichy	Mr. V Durga Rao
30.	Thiruvananthapuram	Mr. N Vijayagopalan
31.	Navi Mumbai	Mr. Rajiv Raj
32.	Vijayawada	Mr. S V L Narasimham
33.	Vishakapatnam	Mr. N Babu
34.	Baroda (proposed)	Mr. C R Bhavani Shanker

Can Fin Homes Ltd.

NOTICE

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Monday, September 15, 1997 at 11.30 A.M. at the Chowdaiah Memorial Hall, Vyalikaval, Bangalore-560 003 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at March 31, 1997 and the Profit and Loss Account for the year ended that date together with the Directors' and Auditors report thereon.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. M N Shenoy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Manu Chadha, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modifications, the following as a Special Resolution pursuant to Section 224A of the Companies Act, 1956:

"RESOLVED THAT Messers K P Rao & Company, 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 audit of accounts of the Company".

"RESOLVED FURTHER THAT the following firms of Chartered Accountants mentioned in column two below, be and are hereby appointed as the Auditors to carry-out the audit of Company's branches given in column three below, 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 branch accounts:

Sl. No.	Name of the firms of Chartered Accountants	Name of the Branches authorised for auditing
(i)	M/s K P Rao & Company Bangalore	Branches in the States of Karnataka, Kerala, Goa and Gujarat and branches to be opened by the Company in future.
(ii)	M/s L U Krishnan & Co Chennai	Branches in the State of Tamil Nadu and Union Territory of Pondicherry.



TENTH ANNUAL REPORT 1996-97

- | | | |
|-------|--------------------------------------|---|
| (iii) | M/s K P Rao Associates
Hyderabad | Branches in the States of
Andhra Pradesh and Orissa. |
| (iv) | M/s Sheshadri & Associates
Mumbai | Branches in the State of
Maharashtra. |
| (v) | M/s H K Chaudhury & Co
New Delhi | New Delhi, Noida, Jaipur
Lucknow, Chandigarh,
Bhopal and Patna branches". |

Special Business :

To consider and if thought fit, to pass, with or without modifications the following resolutions as **Ordinary Resolutions** :

6. "RESOLVED THAT Mr.R.J.Kamath be and is hereby appointed a Director of the Company liable to retire by rotation."
7. "RESOLVED THAT Mr.A.Abdul Huq be and is hereby appointed a Director of the Company liable to retire by rotation."
8. "RESOLVED THAT Mrs.Savita Sehgal be and is hereby appointed a Director of the Company liable to retire by rotation."
9. "RESOLVED THAT Mr.R.V.Verma be and is hereby appointed a Director of the Company liable to retire by rotation."

By Order of the Board

Bangalore
June 27, 1997

K.S.Sathyaprakash
Company Secretary

Registered Office:
No.32, Shanti Kutir, II Floor,
Race Course Road, Bangalore 560 001

Notes

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
- (b) Members/Proxies are required to bring the Attendance Slip sent herewith duly filled in, for attending the Meeting.
- (c) The relative Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business under Item nos 6 to 9 are annexed hereto.

Can Fin Homes Ltd.

- (d) The Register of Members and Share Transfer Books of the Company will remain closed from July 16, 1997 to July 30, 1997, both days inclusive.
- (e) Payment of Dividend, if declared, will be made on or after September 16, 1997 to those members whose names appear in the Register of Members of the Company as on July 15, 1997.
- (f) Members are requested to notify immediately any change in their addresses to the Registrars and Share Transfer Agents of the Company viz., M/s.Canbank Financial Services Ltd., R & T Centre, Hotel Broadway Complex, No.19, Kempegowda Road, Bangalore-560 009, so as to enable the Company to despatch dividend warrants and any future communication at their correct address.
- (g) The Company has already transferred dividend declared but unclaimed for the year ended March 31, 1993, to the General Revenue Account of the Central Government, pursuant to the provisions of Section 205-A(5) of the Companies Act, 1956 and Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
- (h) Members who have not encashed their dividend warrants relating to dividend for the years ended March 31, 1994 to March 31, 1996, are requested to approach the Company or the Registrars and Share Transfer Agents of the Company for revalidating the warrants or obtaining duplicate warrants cheques afresh.
- (i) 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.
- (j) The shareholders desirous of obtaining any information with regard to the audited annual accounts of the company for the financial year 1996-97 or any other related matters are requested to write to the company at an early date so as to enable the company to keep the information ready.

1. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
2. GIFTS MEMENTOS ARE NOT BEING DISTRIBUTED.



TENTH ANNUAL REPORT 1996-97

Annexure to the Notice

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

In respect of Item No.6.

The Board of Directors of the Company at their meeting held on October 23, 1996 appointed Mr.R.J.Kamath as an Additional Director and also elected him as the Vice-Chairman 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.R.J.Kamath holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from Canara Bank, a shareholder, signifying their intention to propose the appointment of Mr.R.J.Kamath as a Director of the Company. Mr.R.J.Kamath is presently the Executive Director of Canara Bank. He has a wide range of experience in different functional areas and facets of banking and has headed different Circles of the Bank. He was also responsible for implementation and administration of various Corporate Policies. He has also served abroad. Mr.R.J.Kamath 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. Your Directors feel that his appointment 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.R J Kamath is in anyway concerned or interested in the said resolution.

In respect of Item No.7.

The Board of Directors of the Company at their meeting held on January 22, 1997 appointed Mr.A. Abdul Huq as an Additional Director of the Company. Pursuant to the Article 22 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 ("the Act"), Mr.A.Abdul Huq holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from M/s.Canbank Financial Services Ltd., Bangalore, a shareholder, signifying their intention to propose the appointment of Mr.A. Abdul Huq as a Director of the Company. Mr.A. Abdul Huq is presently a Dy.General Manager of Canara Bank and is on deputation to M/s.Canbank Financial Services Ltd., Bangalore, as its Managing Director.

M/s.Canbank Financial Services Ltd., are also one of the promoters of the company. Mr.A.Abdul Huq has a wide range of experience in Canara Bank and had held responsible positions in the Bank.

Mr.A. Abdul Huq 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. Your Directors feel that his appointment would be in the best interest of the Company

Can Fin Homes Ltd.

and accordingly recommend the passing of the resolution proposed at Item No.7 of the Notice.

No Director other than Mr.A.Abdul Huq is in anyway concerned or interested in the said resolution.

In respect of Item No.8.

The Board of Directors of the Company at their meeting held on March 22, 1997 appointed Mrs.Savita Sehgal 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"), Mrs.Savita Sehgal holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from a shareholder, signifying their intention to propose the appointment of Mrs.Savita Sehgal as a Director of the Company.

Mrs.Savita Sehgal is a post-graduate in Arts and a post-graduate in Social Works from Mysore University. She has over 10 years of teaching experience at the post-graduate levels in the Institutes of Social Sciences which include Department of Ship Technology and Law Department of Cochin University. Mrs. Savita Sehgal was also the President of International Women's Club of Kerala. She was also a panel member of the Banking Service Recruitment Board, Southern Region, Bangalore and a panel member of other social organisations.

Mrs.Savita Sehgal is willing to act as a Director of the Company, if so appointed and has filed with the Company her consent pursuant to Section 264 (1) of the Act. Your Directors feel that her appointment would be in the best interest of the Company and accordingly recommend the passing of the resolution proposed at Item No.8 of the Notice.

No Director other than Mrs.Savita Sehgal is in anyway concerned or interested in the said resolution.

In respect of Item No.9.

The Board of Directors of the Company at their Meeting held on June 27, 1997, appointed Mr.R.V.Verma, General Manager of National Housing Bank as an Additional Director and as a nominee director of the said Bank. Pursuant to Article 22 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956 ("the Act"), Mr.R.V.Verma holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 of the Act, from the National Housing Bank, a shareholder, signifying their intention to propose the appointment of Mr.R.V.Verma, as a Director of the Company.

Mr.R.V.Verma, is a General Manager of National Housing Bank and possess a wide and varied developmental and administrative experience. Mr.R.V.Verma has