



Can Fin Homes Ltd
(Sponsor: CANARA BANK)
HOME LOANS • DEPOSITS
Translating Dreams into Reality



ANNUAL
REPORT
1998-1999



Chief Guest Mr. N R Shetty, Vice Chancellor, Bangalore University delivering his address at the inauguration of website. Mr. T R Sridharan, Chairman and Mr. U J Kamath, Managing Director look on from the dias.

Lighting of the lamp by T R Sridharan, Chairman marking the inaugural of the Branch Managers Conference held on August 2nd 1998.

Chairman's Shield for the 'Best Branch of the Year 1998-99' being received by V Vijay Kiran of Chandigarh Branch from Mrs. Ranjana Kumar, Executive Director of Canara Bank. Mr. G Umesh Shenoy, Managing Director joins in the felicitation.





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HIGHLIGHTS

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Operational Highlights

Rs in Crores

	1994-95	1995-96	1996-97	1997-98	1998-99	Total Approvals
Loan Approvals	135.31	130.48	131.22	138.67	172.61	1266.33
Loan Disbursements	115.59	125.15	102.80	137.18	151.66	1062.72

Financial Highlights

Rs in Crores

Gross Income	70.81	83.38	94.16	99.37	108.47
Profit after Tax	10.84	11.56	12.10	11.12	14.71
Shareholders Funds	46.91	54.62	62.12	68.28	78.03
Deposits	232.67	261.81	316.81	357.85	386.03
Borrowings	180.09	206.29	202.39	207.01	230.12
Housing Loan Outstanding	385.36	452.62	483.70	538.43	601.93
Dividend (%)	20	20	20	22	22

Board of Directors

Mr. T R Sridharan
Chairman
(Upto May 31, 1999)

Mr. R J Kamath
Vice-chairman
(Upto March 26, 1999)

Mrs. Ranjana Kumar
Vice - Chairman
(from July 01, 1999)

Mr. Manu Chadha

Ms. I T Vaz
(Nominee Director
Unit Trust of India)

Mr. A Abdul Huq
(Upto June 29, 1998)

Mrs. Savita Sehgal

Mr. R V Verma
(Nominee Director
National Housing Bank)

Mr. R V S Rao

Mr. A P Kini
(from October 28, 1998)

Mr. U J Kamath
Managing Director
(upto February 24, 1999)

Mr. G Umesh Shenoy
Managing Director
(from January 29, 1999)

Executives

Mr. K S K Shenoy
General Manager

Mr. B K S Shetty
Deputy General Manager

Mr. K Suresh Rao
AGM - Recovery & Review

Mr. N V Rangaswamy
AGM - Credit & Development

Mr. R Jairam
AGM - Accounts & Inspection

Mr. K Gopinath
AGM - Jayanagar Branch

Mr. Ravindra Sudhalkar
AGM - Marketing, Delhi

Mr. K S Sathyaprakash
Company Secretary

Mr P Aravindhan
Chief Manager - IT

Auditors

K P Rao & Company
Chartered Accountants

Bankers

Canara Bank

Legal Advisor

Kalasa Shamanna

Registered Office

"Shanti Kutir", No. 32, II Floor,
P. B. No. 5128, Race Course Road,
Bangalore - 560 001
Tel : 2267229, 2281209
Fax : 2281208
E-mail : canfin@bgl.vsnl.net.in
Website : www.canfinhomes.com

Registrars & Share Transfer Agents

Canbank Computer Services Ltd.,
R & T Centre, Hotel Broadway Complex,
No. 19, Kempegowda Road,
Bangalore - 560 009.
Tel : 2872461, 2872462, 2872521
Fax : 2872804

NOTICE

NOTICE is hereby given that the TWELFTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Wednesday, the August 25, 1999 at 11.30 A.M. at the Chowdiah 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, 1999 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. R V Verma 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 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, Gujarat, Maharashtra 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.
(iii)	M/s K P Rao Associates Hyderabad	Branches in the States of Andhra Pradesh and Orissa.
(iv)	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 modification/s, the following resolutions :

As Ordinary Resolutions :

5. "RESOLVED THAT Mr.A P Kini be and is hereby appointed a Director of the Company liable to retire by rotation."

6. "RESOLVED THAT Mr.G Umesh Shenoy be and is hereby appointed a Director of the Company."

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 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.G Umesh Shenoy, General Manager, Canara Bank, as the Managing Director of the Company with effect from February 25, 1999 for a period of three years, including the period of extension of service, if any, by Canara Bank, at the remuneration he is entitled to in accordance with the Service Regulations of Canara Bank and any modifications, revisions thereof that may 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."

7. "RESOLVED THAT Mrs.Ranjana Kumar be and is hereby appointed a Director of the Company liable to retire by rotation."

As Special Resolutions :

8. "RESOLVED THAT pursuant to Section 31 and any other applicable provisions of the Companies Act, 1956 ("the Act"), approval of the Company be and is hereby accorded for amendment of Articles of Association of the Company in the following manner:

(a) Add the following new Article 2 (c) at the end of Article 2:

2 (c) Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India viz., "SEBI" (Depositories and Participants) Regulations, 1996. In case of issue of shares and other securities, as may be specified by SEBI, from time to time in dematerialised mode, the Company shall make allotment of shares and securities to the Depository and no certificates shall be issued. Every person subscribing to the securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities. In case of such requests for rematerialisation of shares, the Company will be entitled to charge a suitable amount from the Members.

For this purpose, "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 which shall include with any statutory modification or re-enactment thereof and "Beneficial owner(s)" shall mean the

beneficial owner(s) as defined in clause (a) of sub-section (1) of Section 2 of Depositories Act, 1996 which shall include any statutory modification or re-enactment thereof.

(b) Add the following new Articles after Article 7 (a):

7 (b). Notwithstanding anything contained on the subject elsewhere in the Articles, no instrument of transfer would be required and the provisions of Section 108 of the Act will not apply if transfer of shares is effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.

7 (c) In the case of transfer or transmission of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996, shall apply.

7 (d) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any shares held in material form. Consequently the existing Article 7 (b) shall be renumbered as Article 7(e).

(c) Add the following new Article as Article 8 (a):

8 (a) The shares shall be freely transferable, subject to the provisions of Section 111 and 111A of the Act. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any person where or not it shall have express or implied notice thereof.

Consequently the existing Articles 8 (a) and 8 (b) shall be renumbered as Article 8 (b) and 8 (c), respectively.

(d) Add the following new Article after Article 13:

13 (a) The provision relating to progressive numbering shall not apply to the shares/debentures of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Consequently the existing Article 13(a) shall be renumbered as Article 13 (b).

9. "RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment/s to or re-enactment thereof from time to time), and subject to the approvals, consents, permissions and other sanctions as are necessary to be obtained from the appropriate Authorities or Bodies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by inserting the following new sub-clause C. 10, under the heading "III-C OTHER OBJECTS NOT INCLUDED IN A & B" immediately after the existing sub-clause 9 reading as under :

C.10. To undertake and carry on, whether directly or indirectly, the business of providing personal finance, whether by way of loans or otherwise for various purposes including for acquisition of consumer products of all types, consumer durables, equipment and machinery, vehicles, home appliances, furniture and fixtures, furnishings, air conditioners and the like."

10. "RESOLVED THAT the approval of the members of the Company be and is hereby accorded pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, for commencing and carrying on all or any of the business/activities specified in the newly incorporated sub-clause C.10 under the heading "III-C OTHER OBJECTS NOT INCLUDED IN A & B" contained in the Memorandum of Association of the Company, as soon as the alteration of the Memorandum of Association by the inclusion of the aforesaid sub-clause C.10 becomes effective."

BY ORDER OF THE BOARD

Bangalore
July 01, 1999

K S Sathyaprakash
Company Secretary

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

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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. THE ATTENDANCE SLIP-CUM-PROXY FORM IS PLACED WITH THIS ANNUAL REPORT.

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 requested to bring their Attendance Slip sent herewith duly filled in, for attending the Meeting.
- (c) 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.
- (d) The relative Explanatory Statements, pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business under Item nos. 5 to 10 are annexed hereto.
- (e) The Register of Members and Share Transfer Books of the Company will remain closed from July 20, 1999 to August 03, 1999, both days inclusive.
- (f) Payment of Dividend for the financial year 1998-99, if declared, will be made on or after August 26, 1999 to those members whose names appear in the Register of Members of the Company as on July 19, 1999.
- (g) Members are requested to notify immediately 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, Hotel Broadway Complex, No.19, Kempegowda Road, Bangalore-560 009 so as to enable the Company to despatch dividend warrants and any future communication to their correct address.
- (h) In terms of 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, the Company has already transferred dividend declared but unclaimed for the year ended March 31, 1995, to the General Revenue Account of the Central Government.
- (i) Members who have not encashed their dividend warrants relating to dividend for the years ended March 31, 1996 to March 31, 1998, are requested to approach the Company or the Registrars and Share Transfer Agents of the Company for revalidating the warrants or obtaining duplicate cheques in lieu of warrants.
- (j) The shareholders desirous of obtaining any information with regard to the audited annual accounts of the company for the financial year 1998-99 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 required information ready.
- (k) The Securities of the Company are listed in Bangalore, Madras, Mumbai and the National Stock Exchanges and the Company has paid the annual listing fees for the financial year 1998-99.

1. MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT TO THE MEETING.
 2. GIFTS/MEMENTOS ARE NOT BEING DISTRIBUTED.
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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 October 28, 1998, appointed Mr.A P Kini as an Additional Director of the company. 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.A P Kini holds office only up to 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., signifying their intention to propose the appointment of Mr.A P Kini as the Director of the Company, in exercise of the powers available to them under Article 17 of the Articles. M/s.Canbank Financial Services Ltd., are also one of the promoters and shareholders of the Company.

Mr. A P Kini, is the Asst.General Manager of Canara Bank and also the Managing Director of M/s Canbank Financial Services Ltd., Bangalore. He has a wide and rich banking experience over a period of 32 years of his service and has served Canara Bank in different capacities including Canbank Mutual Fund in a very responsible position.

Mr. A P Kini 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.5 of the Notice.

No Director other than Mr.A P Kini is in any way concerned or interested in the said resolution.

In respect of Item No. 6

The Board of Directors of the Company at their meeting held on January 29, 1999 appointed Mr.G Umesh Shenoy, General Manager, Canara Bank as a Director and then as the Managing Director of the Company with effect from February 25, 1999 for a period of three years at the remuneration he is entitled to as per the Service Regulations of Canara Bank and any modifications, revisions 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 Companies Act, 1956 ("the Act"), Mr.G Umesh Shenoy holds office only up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from Canara Bank, who are also one of the Promoters and Shareholders of the Company under Section 257 of the Act signifying their intention to propose the appointment of Mr.G Umesh Shenoy as a Director of the Company.

As mentioned earlier, Mr.G Umesh Shenoy, holds the rank of General Manager in Canara Bank and possesses a wide and varied Banking, Developmental and Administrative experience over a period of 30 years in the Bank. Mr.G Umesh Shenoy is willing to act as a Director of the Company, if so appointed and has filed his consent pursuant to Section 264(1) of the Act. In compliance with the applicable provisions of the Act, approval of the members to the appointment of Mr.G Umesh Shenoy as a Director and Managing Director for the period mentioned above including extension in the period of service, if any, by Canara Bank and at the remuneration payable as mentioned above is now being sought. Your Directors feel that his appointment would be in the best interest of the Company and accordingly recommend the passing of the resolutions proposed at Item No.6 of the Notice.