



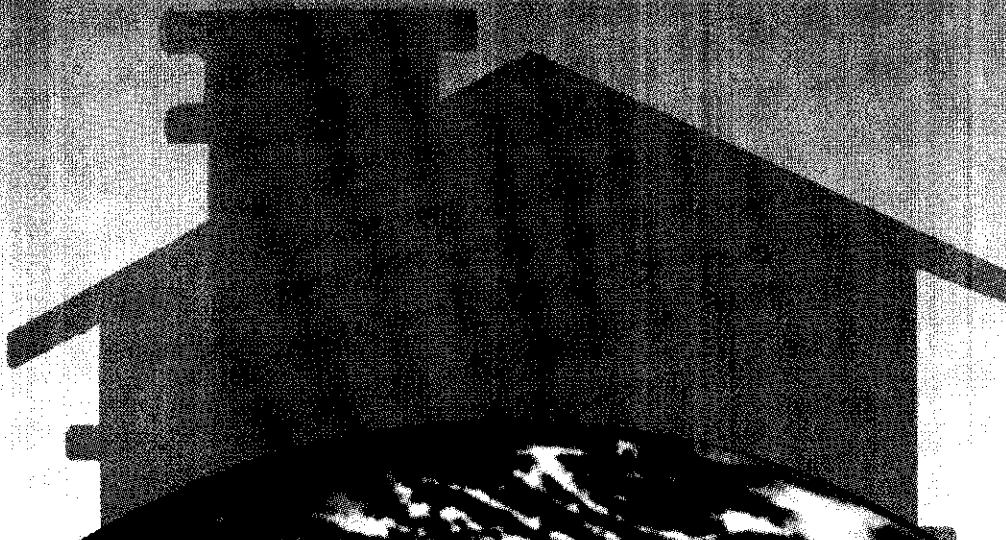
Can Fin Homes Ltd

(Sponsor: **CANARA BANK**)

HOME LOANS ♦ DEPOSITS

Translating Dreams into Reality

13TH ANNUAL REPORT 1999-2000



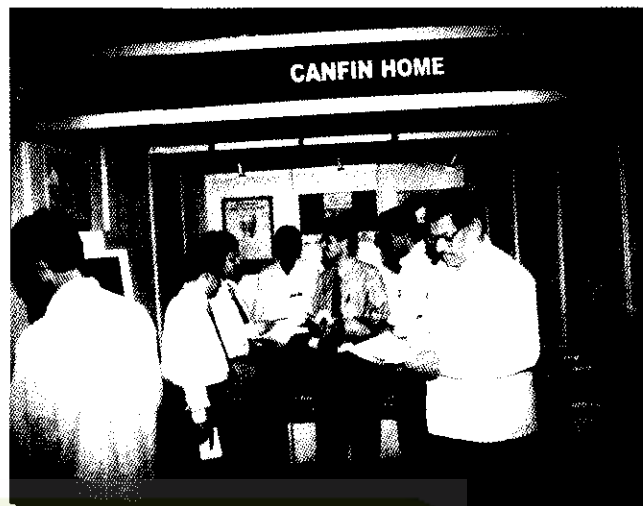
www.canfinhomes.com





A lighter moment during last Annual General Meeting held on 25th of August, 1999.

Participation in IT.COM '99 at Bangalore.



Handing over of dividend cheque to Sri R. J. Kamath, Chairman and Managing Director of Canara Bank.

Chairman's Award for the best branch 1999-2000 — Mr D.K. Manjunath, Chief Manager, New Delhi branch receiving the award from Ms. I.T. Vaz, our Director





CAN FIN HOMES LTD.,

Registered office: 'Shanti kutir', No.32, II Floor, Race Course Road, Bangalore – 560 001

To

The Members
Can Fin Homes Ltd.,

Dear Sir(s)/Madam,

Sub: Dematerialisation of Shares of the Company

The Securities and Exchange Board of India (SEBI) vide its Circular No.SMDRP/POLICY/CIR/2000 dated May 29, 2000 has notified that the trading of the securities of the company shall compulsorily be made in dematerialised form with effect from December 26, 2000.

Keeping this in view, Can Fin Homes Ltd., will shortly link with the National Security Depository Ltd., (NSDL) and Central Depository Services Ltd., (CDSL) through its R&T Agents to provide you an opportunity to opt for a safer and more convenient mode of holding and trading in your shares in an electronic environment.

To enable you to evaluate this option of scripless trading, we have enclosed herewith the salient features of the Depository System.

Thanking you,

Yours faithfully
for CANFIN HOMES LTD.,

Bangalore
July 27, 2000

K S SATHYAPRAKASH
Company Secretary

DEMATERIALISATION OF SHARES

1. What is Dematerialisation?

Dematerialisation is a process by which an investor can get physical certificates converted into electronic balances maintained in his account with the Participant in the depository system. The certificates are forwarded to the Registrar by the Participant and the Registrar processes them giving an equivalent credit in the investor's beneficiary account. This is done at the request of the investor. An investor should first open an account with a Participant and then request for dematerialisation of his certificates by submitting the same to the Participant.

2. Who is a Depository?

Depository is an organisation where the securities of a shareholder are held in the electronic form at the request of the shareholder through the medium of a Participant. A depository can be compared to a bank. If an investor wants to utilise the services offered by a depository, the investor has to open an account with the depository through a Participant - this is similar to the opening of an account with any of the branches of a bank in order to utilise the services of that bank. Depository is not just another form of custodial services because the depository can legally transfer beneficial ownership which a custodian cannot.

3. Who is a Depository Participant (DP)?

A Depository Participant is a representative in the Depository System. The DP will maintain the clients securities account balances and intimate him the status of holdings from time to time. According to SEBI regulations, the Financial Institutions, Banks, Custodians, Stock Brokers etc., can become participants in the Depository.

4. What are the benefits of holding in and trading of securities in electronic/demat form?

- a. no bad deliveries
- b. elimination share certificate based risks
- c. immediate transfer of shares
- d. reduction in transaction cost
- e. savings in postage
- f. faster settlements and greater liquidity
- g. one investor account for all shares
- h. full protection and indemnification to the investor by the Depository through the DP for any act of commission or omission on the part of either the Depository or the DP as a result of which the investor suffers a loss
- i. when the client buys the shares in the depository mode he becomes the owner of those shares within a day after the settlement.

5. How will the shareholder know that the DP has updated his account after each transaction?

The DP will give the client a pass book or statement of account which will be despatched to the client periodically. From the statement, the client will know the position of the securities held by him.

6. What if there are any discrepancies in client's holdings?

The shareholder/client should first contact his DP. If the discrepancy cannot be solved by the DP, then he should approach the Depository.

7. What happens if the client loses his statement of account?

The client informs the DP and obtains a duplicate statement of holdings.

8. Whether the client is restricted to only one DP?

No. There are no restrictions to the number of DPs with whom the shareholder can open accounts.

9. What security does the client have if the only proof of his holdings is merely a piece of paper indicating his account balance?

When the client opens an account with a DP, he has to sign an agreement with the DP in which the DP indemnifies the client for any misuse of his holdings. The depository will also ensure that the interest of the investors are protected.

10. Are there any additional security features which the DPs will offer to the client to protect his account?

Yes. Every transaction of the client will be authorised by the client. Hence the balance of securities will remain untouched till authorised to do so. There is a facility for the client to lock his account so that the DP will not be able to carry out any transaction in his absence. The Depositories will also send a statement of holdings to some investors chosen at random.

11. Is it possible for the client to get the securities allotted to him in public offerings directly in the electronic form?

Yes. In the public issue application form itself there will be a provision for the client to indicate the manner in which he wants the securities to be allotted. All the client has to do is to mention his client account number and the name of the DP and any allotment due to him will be credited to that account.

12. Who will give the client the benefits arising out of his holdings, say a bonus or a dividend?

When a corporate event such as rights or bonus or dividend is announced for a particular security, the depository will give all the details of the clients having electronic holdings of that security as of record date/book closure to the Registrar. The Registrar will then calculate the corporate benefits due to all the shareholders. The disbursement of cash benefits such as dividend/interest will be done by the Registrar whereas the distribution of security(ies) entitlements will be done by the Depository based on the information provided by the Registrar.

13. Does the client have any option for the manner in which he wishes to receive his corporate benefits?

In case of rights issue or optional conversion of debentures to shares, the client has a choice of receiving the same either in physical or electronic mode of holdings. However, corporate entitlements such as bonus will be made in the same form as their original holdings were made.

14. In case of discrepancies in corporate benefits, whom the client should contact?

The client should approach his DP who in turn will contact the Registrar for clarifications regarding allotment of securities. In case of discrepancies in cash benefits the client has to contact the Registrar.

15. Can any share certificate be dematerialised?

One can dematerialise only those certificates that are already registered in his name and belong to the list of securities admitted for dematerialisation at NSDL or CDSL.

16. Do dematerialised shares have distinctive/certificate numbers?

No. Dematerialised shares do not have any distinctive/certificate numbers. These shares are fungible - which means that 100 shares of a security are the same as any other 100 shares of that security.

17. Can odd lot shares be dematerialised?

Yes. Odd lot share certificates can also be dematerialised.

18. How long does the dematerialisation process take?

Dematerialisation normally takes about Fifteen days. However, this may extend to about 30 days if the number of certificates submitted is very large.

19. Is dematerialisation compulsory?

No. According to the Depositories Act, 1996, an investor has the option to hold shares either in physical or in dematerialised form. The trading in shares of Can Fin Homes Ltd., has been made compulsory by SEBI in dematerialised form with effect from December 26, 2000, by all the investors and shares in dematerialised form can only be traded with effect from the said date.

20. Can holdings in electronic form be converted back into certificates?

Yes. If a shareholder wishes to get back his securities in physical form, all he has to do is to request his DP for rematerialisation of the same. "Rematerialisation" is the term used for converting electronic holdings back into certificates.

21. Will the same certificate be got back after rematerialisation?

The shareholder may or may not be allotted certificates with the same distinctive and certificate numbers. However, it does not matter really. However, if he has an already existing folio number, he may be allotted the same number.

22. Can dematerialised shares be pledged?

Yes. Dematerialised shares are easier and more advantageous as compared to pledging physical shares. A number of banks have announced that they will charge lower interest rates for loans against dematerialised shares.

23. What is the procedure for pledging shares in an electronic form?

Both the Pledger as well as the Pledgee, must have depository accounts. The holder must initiate the pledge by submitting the details of the securities to be pledged in a standard format (available with the DPs). The Pledgee should confirm the request through his DP. Once this is done, the securities are pledged.

24. What is the procedure for purchasing/selling of dematerialised shares?

The procedure for buying/selling dematerialised shares is similar to the procedure for buying/selling shares in physical form.

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HIGHLIGHTS

Operational Highlights

Rs. in Crores

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Loans approvals	130.48	131.22	138.67	172.61	258.72	1523.47
Loan disbursements	125.15	102.80	137.18	151.66	214.80	1277.21

Financial Highlights

Rs. in Crores

Gross Income	83.38	94.16	99.37	108.47	113.34	
Profit after tax	11.56	12.10	11.12	14.71	14.79	
Shareholders funds	54.62	62.12	68.28	78.03	87.55	
Deposits	261.81	316.81	357.85	386.03	425.34	
Borrowings	206.29	202.39	207.01	230.12	270.64	
Housing loan Outstanding	452.62	483.70	538.43	601.93	701.25	
Dividend (%)	20	20	22	22	23	

BOARD OF DIRECTORS**Mr. R J Kamath***Chairman*

(from July 27, 2000)

Mrs. Ranjana Kumar*Vice-Chairperson*

(upto June 29, 2000)

Mr. Manu Chadha**Ms. I T Vaz***(Nominee Director**Unit Trust of India)***Mrs. Savita Sehgal**

(Upto March 31, 2000)

Mr. R V Verma

(Upto July 25, 2000)

Mr. R V S Rao**Mr. A P Kini****Mr. N Venugopala Reddy**

(from May 18, 2000)

Mr. R Nanjappa

(from July 27, 2000)

Mr. G Umesh Shenoy

Managing Director

EXECUTIVES**Mr. K S K Shenoy***General Manager - Administration***Mr. B S Pai***General Manager - Operations***Mr. K Suresh Rao***AGM - Recovery & Legal***Mr. N V Rangaswamy***AGM - Credit & Development***Mr. R Jairam***AGM - Accounts & Audit***Mr. K S Sathyaprakash***AGM & Company Secretary***Mr. K Gopinath***AGM - Jayanagar, Bangalore***Mr. G V Gopinath***AGM - Cunningham Road, Bangalore***Mr. P Aravindhan***Chief Manager - IT***AUDITORS**

K P Rao & Company

Chartered Accountants

BANKERS

Canara Bank

State Bank of India

State Bank of Hyderabad

REGISTERED OFFICE"Shanti Kutir", No.32, II Floor,
P.B.No.5128, Race Course Road,
Bangalore - 560 001.Tel : 2267229, 2281209,
2260947, 2260948.

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

E-mail : ccslrnt@vsnl.com

ccslrnt@bgl.vsnl.net.in

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Thursday, the September 28, 2000 at 11.00 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 audited Balance Sheet as at March 31, 2000 and the Profit and Loss Account for the year ended that date together with the Directors' and Auditors' report thereon.
2. To ratify the payment of Interim Dividend by the Board of Directors.
3. To appoint a Director in the place of Mr. R V S Rao 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 re-appointed as the auditors to carry out the audit of the branches of the company 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 :

Sl. No. (1)	Name of the firms of Chartered Accountants (2)	Name of the Branches authorised for auditing (3)
(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 during 2000-01.
(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 Chaudhry & Co. New Delhi	New Delhi, Noida, Jaipur, Lucknow, Chandigarh, Bhopal Indore and Patna branches."

**BOARD OF DIRECTORS****Mr. R J Kamath***Chairman*

(from July 27, 2000)

Mrs. Ranjana Kumar*Vice-Chairperson*

(upto June 29, 2000)

Mr. Manu Chadha**Ms. I T Vaz***(Nominee Director**Unit Trust of India)***Mrs. Savita Sehgal**

(Upto March 31, 2000)

Mr. R V Verma

(Upto July 25, 2000)

Mr. R V S Rao**Mr. A P Kini****Mr. N Venugopala Reddy**

(from May 18, 2000)

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Mr. G Umesh Shenoy*Managing Director***EXECUTIVES****Mr. K S K Shenoy***General Manager - Administration***Mr. B S Pai***General Manager - Operations***Mr. K Suresh Rao***AGM - Recovery & Legal***Mr. N V Rangaswamy***AGM - Credit & Development***Mr. R Jairam***AGM - Accounts & Audit***Mr. K S Sathyaprakash***AGM & Company Secretary***Mr. K Gopinath***AGM - Jayanagar, Bangalore***Mr. G V Gopinath***AGM - Cunningham Road, Bangalore***Mr. P Aravindhnan***Chief Manager - IT***AUDITORS***K P Rao & Company**Chartered Accountants***BANKERS***Canara Bank**State Bank of India**State Bank of Hyderabad***REGISTERED OFFICE***"Shanti Kutir", No.32, II Floor,
P.B.No.5128, Race Course Road,
Bangalore - 560 001.**Tel : 2267229, 2281209,
2260947, 2260948.**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**E-mail : ccslrnt@vsnl.com**ccslrnt@bgl.vsnl.net.in*