

Dreams to Reality

*14th Annual Report
2000 - 2001*

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



Sri G Umesh Shenoy, Managing Director, as a member of the delegation which visited Ottawa and Toronto, Canada to study the Canadian housing finance system, is seen alongwith Sri P P Vora, Chairman and Managing Director, National Housing Bank, Sri Shekhar Agarwal, Joint Secretary (Banking), Ministry of Finance, Government of India and the officials of Canada Mortgage & Housing Corporation.

Can Fin "Home + Finance 2000" Exhibition organised by the company at Bangalore being inaugurated by Smt. Prema Cariappa, Worshipful Mayor, Bangalore Mahanagara Palike.



Inauguration of Tambaram office by Sri Ajay Bhattacharya, I.A.S, Secretary, Housing and Urban Development, Government of Tamil Nadu.

A lighter moment on the occasion of the shifting of Vashi branch premises.



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FINANCIALS

Operational Highlights

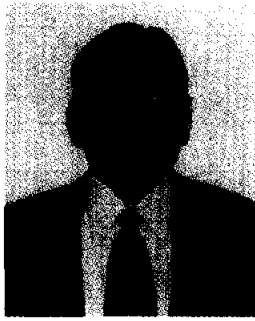
Rs. in Crores

	1996-97	1997-98	1998-99	1999-00	2000-01	Cumulative Figures
Loan approvals	131.22	138.67	172.61	258.72		1835.80
Loan disbursements	102.80	137.18	151.66	214.80		1555.06

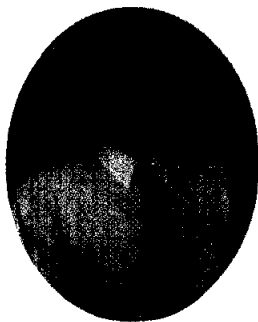
Financial Highlights

Rs. in Crores

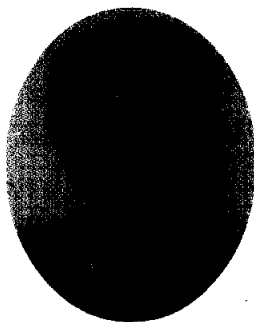
Gross Income	94.16	99.37	108.47	113.34	127.19	542.53
Profit after tax	12.10	11.12	14.71	14.79	17.71	70.53
Shareholders funds	62.12	68.28	78.03	87.55	109.06	405.04
Deposits	316.81	357.85	386.03	425.34	449.90	1935.93
Borrowings	202.39	207.01	230.12	270.84	351.87	1262.23
Housing loan Outstanding	483.70	538.43	601.93	697.91	829.00	3150.97
Dividend (%)	20	22	22	23		



Mr. R V Shastri
Chairman & Managing Director, Canara Bank



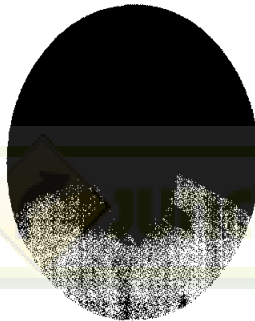
Mr. Manu Chadha



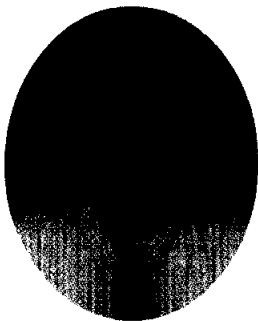
Ms. I T Vaz



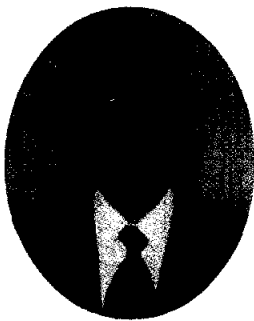
Mr. R V S Rao



Mr. N Venugopala Reddy



Mr. R V Verma



Mr. G Umesh Shenoy

BOARD OF DIRECTORS

Mr. R J Kamath
Chairman (Upto April 30, 2001)

Mr. Manu Chadha

Ms. I T Vaz
Nominee Director - UTI

Mr. R V S Rao

Mr. A P Kini
(Upto March 09, 2001)

Mr. N Venugopala Reddy

Mr. R Nanjappa
(Upto January 31, 2001)

Mr. R V Verma
(from February 22, 2001)
Nominee Director - NHB

Mr. G Umesh Shenoy
Managing Director

**EXECUTIVES AT REGISTERED OFFICE**

Mr. K S K Shenoy
General Manager

Mr. K Suresh Rao
AGM - Recovery & Legal

Mr. N V Rangaswamy
AGM - Credit

Mr. R Jairam
AGM - Accounts

Mr. K S Sathyaprakash
AGM & Company Secretary

Mr. P Aravindhan
Chief Manager - Information Technology

Mr. P Felix
Chief Manager - Inspection & Internal Audit

Mr. N Vijayagopalan
Chief Manager - Development

EXECUTIVES HEADING BRANCHES

Mr. K Gopinath
AGM - Jayanagar, Bangalore

Mr. G V Gopinath
AGM - Cunningham Road, Bangalore

Mr. Rm. Veerappan
Chief Manager - Mumbai

Mr. D K Manjunath
Chief Manager - New Delhi

Mr. P Vijaya Sekhara Raju
Chief Manager - Chennai

Mr. A R Gopal
Chief Manager - Hyderabad

Mrs. M Shamila
Chief Manager - Thiruvananthapuram

AUDITORS

K P Rao & Company
Chartered Accountants

PRINCIPAL BANKERS

Canara Bank
State Bank of Hyderabad
State Bank of India
State Bank of Mysore

REGISTERED OFFICE

No.29/1, I Floor,
Sir M N Krishna Rao Road,
Basavanagudi
Bangalore - 560 004.
Tel : 6563785, 6563787
6565742, 6565747
Fax : 6565746
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 FOURTEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Wednesday, September 19, 2001 at 11.30 A.M. at The Bangalore Gayana Samaja Auditorium, K R Road, Bangalore – 560 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2001 and the Profit and Loss Account for the year ended that date and the Report of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in the place of Mr. N Venugopala Reddy 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 conducting of audit of the 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 2001-02.
(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	Branches at New Delhi, Noida, Jaipur, Lucknow, Chandigarh, Bhopal, Raipur, Indore and Patna”.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that in supersession of the Resolution(s) passed at the Fifth Annual General Meeting held on August 10, 1992, 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 up to which moneys borrowed by the Board of Directors of the Company shall not exceed Rs.2,000 crores (Rupees Two thousand crores) at any one time".

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of The Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to mortgage and/or create charge on all or any of the assets and properties both immovable and movable including the undertaking of the Company (including Company's interest as mortgagee in the various properties belonging to the borrowers of the Company) and further 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 or any of the persons, firms, bodies corporate, banks, financial institutions as and by way of security for the due repayment of the sums of money together with interest or other moneys due thereon, if any, already borrowed or to be borrowed by the Company therefrom 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 Companies Act, 1956".

"RESOLVED FURTHER that all actions already taken by the Board of Directors of the Company in issuing from time to time covenants for negative pledges/negative liens and in executing in this connection necessary documents including powers of attorney in favour of all or any of the said persons, firms, bodies corporate, banks, financial institutions etc., be and are hereby approved, confirmed and ratified".

BY ORDER OF THE BOARD

Bangalore
July 30, 2001

K S Sathyaprakash
Company Secretary

Registered Office:
No.29/1, Sir M N Krishna Rao Road
Basavanagudi
Bangalore - 560 004

NOTES

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. **THE ATTENDANCE SLIP-CUM-PROXY FORM IS PLACED AT THE END OF 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 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 and 6 are enclosed herewith.
- (e) The Register of Members and Share Transfer Books of the Company remained closed from July 18, 2001 to July 27, 2001, (both days inclusive).
- (f) Payment of Dividend for the financial year 2000-01, on declaration, will be made on or after September 19, 2001 to those members whose names appear in the Register of Members of the Company as on July 17, 2001.
- (g) Members are requested to promptly notify any change in their address to the Registrars and Share Transfer Agents of the Company viz., M/s.Canbank Computer Services Ltd., Unit : Canfin Homes Ltd., R & T Centre, Hotel Broadway Complex, No.19, Kempegowda Road, Bangalore-560 009.
- (h) Members who have not encashed their dividend warrant(s) for the years ended March 31, 1997 to March 31, 2000, Debenture Redemption Warrant(s), are requested to approach the Company or the Registrars and Share Transfer Agents of the Company for revalidating the warrants or obtaining cheque(s) in lieu of warrants.
- (i) The shareholders desirous of obtaining any information with regard to the audited annual accounts of the company for the financial year 2000-01 or any other related matters are requested to write to the Company well in advance, so as to enable the Company to keep the information ready.
- (j) 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. The Members who have not yet sent the said nominations, are requested to send the Nomination in Form-2B (in duplicate) to the Registrars and Share Transfer Agents of the Company.
- (k) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depository to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not be in a position to entertain any direct requests from such members for change/deletion of such bank details. Further, instructions, if any, already given by them, in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may therefore give instructions regarding their bank accounts in which they wish to receive dividend, to their Depository Participants.



ANNEXURE TO THE NOTICE

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

In respect of Item No.5

At the Fifth Annual General Meeting of the Company held on August 10, 1992, the Company had accorded its consent under Section 293(1)(d) of The Companies Act, 1956 to the Board of Directors for borrowing moneys in excess of the aggregate of the paid up capital and free reserves of the company up to a limit of Rs.1,000 crores (apart from the temporary loans obtained from Company's Bankers in the ordinary course of business). With the business operations of the Company growing, Company's requirements of additional funds have also increased and the aforesaid limit of Rs.1,000 crores is likely to be exceeded 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 Companies Act, 1956, consent of the Members is sought through the resolution proposed at Item No.5 of the agenda to enable the Board of Directors of the company to borrow moneys up to a sum of Rs.2,000 crores.

Your Directors therefore, recommend the passing of the resolution proposed at Item No.5 of the Notice.

None of the Directors is in any way concerned or interested in the said resolution.

In respect of Item No.6

Section 293(1)(a) of The Companies Act, 1956 provides that the Board of Directors of a Public Company shall not, without the consent of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking/undertakings of the Company.

For the purposes of the business operations, the Company raises resources, inter alia, by borrowing moneys from time to time from various persons, firms, bodies corporate, banks, financial institutions etc. These borrowings are secured by promissory notes, negative liens/pledges and/or a charge on the assets and properties of the Company coupled with powers of attorney in favour of such lenders.

Your Directors therefore, recommend the passing of the resolution proposed at Item No.6 of the Notice.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD

Bangalore
July 30, 2001

K S Sathyaprakash
Company Secretary

Registered Office:
No.29/1, Sir M N Krishna Rao Road
Basavanagudi
Bangalore - 560 004

CHAIRMAN'S STATEMENT

THE SCENARIO

The financial year 2000-2001 saw further liberalisation measures initiated by the Union Government to open up the economy gaining momentum. The housing sector received a significant impetus in the Budget for the fourth year in a row with attractive sops. Consequently, the housing finance sector and the housing loan seekers stood to derive substantial benefits. The year saw the fast transformation of housing sector into a crucial sector of the economy. The reversal of the recession in real estate and housing sector set in motion a few years back gained further acceleration.

A host of factors have contributed to the buoyancy in the housing sector, such as increasing number of dual income families, high salaried employees with high purchasing and borrowing powers, phenomenal growth of the information technology sector etc. coupled with bottoming out of property prices, decreasing interest rates, easy availability of home finance etc. apart from the attractive tax concessions announced in the Union Budgets. Investing in a home has always been on top of the agenda for most Indian families. With stock market showing signs of depression in the last quarter, many felt that it is an opportune time for investing in properties.

As a natural corollary to the increased growth in demand for housing, demand for housing finance also showed an upsurge. The existing players in the market became more aggressive as new players entered the market. Competition got stiffer with interest rate and softer terms being used as tools to mobilize business. Housing Finance Institutions adopted a plethora of strategies to reach out to the target segments. With a good number of Housing Finance Institutions and various options before them, the customers became increasingly selective. The ultimate beneficiary in the whole process rightly was the customer since all these institutions vied with one another to meet the customer expectations and render them quality service.

YOUR COMPANY'S PERFORMANCE

The performance of your company has been encouraging for the year 2000-2001. The disbursements at Rs.277.85 crores recorded a growth of about 30% as compared to Rs.214.80 crores during the previous year and sanctions at Rs.312.33 crores showed about 21% growth, as compared to Rs.258.72 crores of the previous fiscal. The cumulative sanctions of the company grew to Rs.1835.80 crores while the cumulative disbursements increased to Rs.1555.06 crores. The outstanding loans reached a level of Rs.825.43 crores. The bottomline of your company registered an all-time high 20% increase with the profit after tax reaching Rs.17.71 crores, your company's highest amount of profit so far, as against Rs.14.79 crores during the previous year.

Your company opened three new offices during 2000-2001 taking the total number of offices to 42. Two new innovative deposit products were launched during the year. The lending rates were slashed and made highly competitive.