

ಕ್ಯಾನ್ ಫಿನ್ ಹೋಮ್ಸ್ ಲಿ.



CanFinHomes Ltd
(Sponsor: CANARA BANK)
HOME LOANS + DEPOSITS
Translating Dreams into Reality



ANNUAL REPORT 2001 - 02

YEARS OF
EXCELLENCE IN
HOME FINANCE

Events and Expositions



Mr. Bandaru Dattatreya Union Minister of State, Department of Housing and Urban Development, visited the Company's stall in 'Dhanotsav' held at Hyderabad.



Ms. Vibha Patel, Mayor, Bhopal City inaugurated 'Can Fin Property Fair 2001' at BHEL Township Bhopal.



Mr. Vilas Rao Deshmukh, Chief Minister of Maharashtra visited the stall of Can Fin Homes Ltd at the MCHI exhibition held at Mumbai.



Mr. G. Umesh Shenoy MD lighting the lamp at the inauguration of India Properties Mega property show at Chennai.

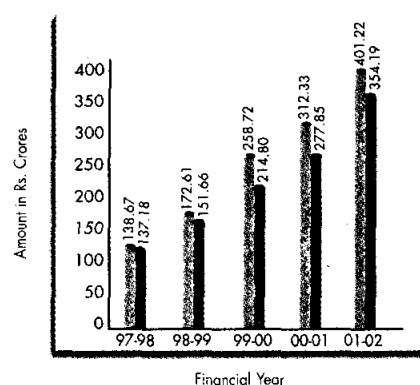


Mr. Shantilal Dhariwal, Minister of Urban Affairs and Sri Rajiv Kumar Aurora, Chairman, RTDC visited the stall of Can Fin Homes Ltd. at the National Real Estate Exhibition of CREDAI held at Jaipur.

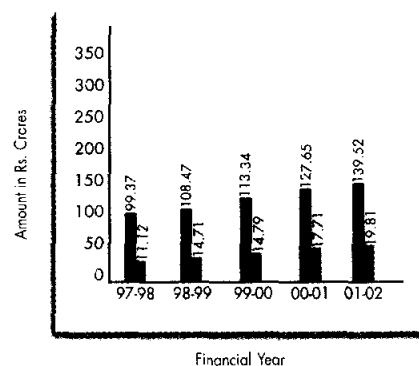


Mr. Abhay Firodia, Managing Director, Bajaj Tempo Ltd. inaugurated "Home + Finance 2001" exhibition organised by Can Fin Homes Ltd. at Pune.

■ **Loan Approvals**
■ **Loan Disbursement**



■ **Gross Income**
■ **Profit after Tax**



Contents

2	Board of Directors
4	Notice
9	Chairman's Statement
11	Report of the Directors
17	Management Discussion and Analysis Report
19	Report on Corporate Governance
23	Shareholders Information
27	Auditors' Report
29	Balance Sheet
30	Profit & Loss Account
31	Schedules Annexed to and Forming Part of the Accounts
38	Notes on Accounts
41	Accounting Policies
43	Cash Flow Statement
45	Information pursuant to Part IV of Schedule VI of The Companies Act, 1956 (Balance Sheet Abstract)
46	List of Branches
47	Attendance Slip and Proxy form

Financial Highlights

FOR THE YEAR ENDED MARCH 31, 2002

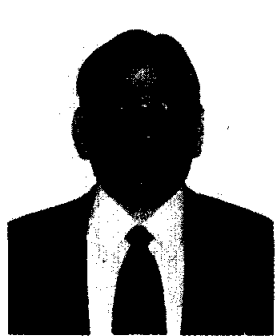
OPERATIONAL HIGHLIGHTS

Rs. in Crores

	1997-98	1998-99	1999-00	2000-01	2001-02	Cumulative Figures
Loan approvals	138.67	172.61	258.72	312.33	401.22	2237.02
Loan disbursements	137.18	151.66	214.80	277.85	354.19	1909.25

FINANCIAL HIGHLIGHTS

Gross Income	99.37	108.47	113.34	127.65	139.52
Profit after tax	11.12	14.71	14.79	17.71	19.81
Shareholders funds	68.28	78.03	87.55	100.06	113.05
Deposits	357.85	386.03	425.34	449.99	492.75
Borrowings	207.01	230.12	270.84	356.85	475.61
Housing loan Outstanding	538.43	601.93	697.91	825.43	986.18
Dividend (%)	22	22	23	23	25



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

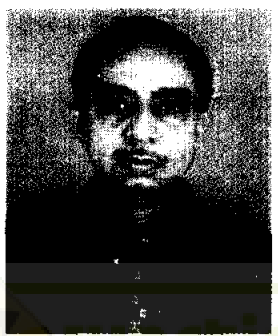


Mr. N Kantha Kumar
Executive Director,
Canara Bank

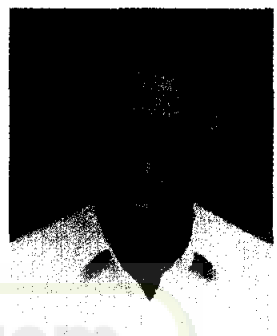
Board of Directors



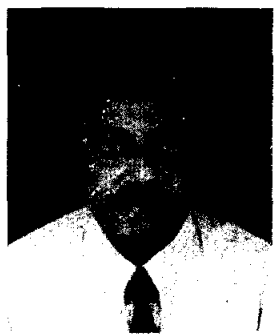
Ms. I T Vaz



Mr. R V S Rao



Mr. N Venugopala Reddy



Mr. R V Verma



Mr. Shyam Ramadhyani



Mr. G Umesh Shenoy

BOARD OF DIRECTORS

Mr. Manu Chadha	<i>(Upto November 20, 2001)</i>
Ms. I T Vaz	<i>Nominee Director - UTI</i>
Mr. R V S Rao	
Mr. N Venugopala Reddy	
Mr. R V Verma	<i>Nominee Director - NHB</i>
Mr. Shyam Ramadhyani	<i>(From October 31, 2001)</i>
Mr. G Umesh Shenoy	<i>Managing Director</i>

EXECUTIVES

General Manager

Mr. B. Sudhakar Shetty

Assistant General Managers

Mr. K. Suresh Rao**Mr. N.V. Rangaswamy****Mr. R. Jairam****Mr. K. Gopinath****Mr. G.V. Gopinath****Mr. Rm. Veerappan****Mr. D.K. Manjunath**

Chief Managers

Mr. P. Felix**Mr. N. Vijaygopalan****Mr. P. Vijayasekhara Raju****Mr. A. R. Gopal****Ms. M. Shamila**

Assistant General Manager & Company Secretary

Mr. K. S. Sathyaprakash**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, K.G. Road, Bangalore - 560 009.
Tel : 2872461, 2872462
Fax : 2872804
E-mail : ccslrnt@vsnl.com
ccslrnt@bgl.vsnl.net.in

AUDITORS

K P Rao & Company
Chartered Accountants
'Poornima', 25
Madras Bank Road,
Bangalore - 560 001

PRINCIPAL BANKERS

Canara Bank
State Bank of Hyderabad
State Bank of India
State Bank of Mysore
Lakshmi Vilas Bank Ltd.
UTI Bank Ltd

Notice

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Wednesday, the July 17, 2002 at 11.00 A.M. at The Bangalore Gayana Samaja Auditorium, K R Road, Basavanagudi, Bangalore – 560 004 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2002 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. 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 conducting audit of the accounts of the Company".

"RESOLVED FURTHER that the following firms of Chartered Accountants be and are hereby re-appointed as the auditors to carry out the audit of the branches of the Company mentioned against their name 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.	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, if any, during 2002-03.
(ii)	M/s L. U. Krishnan & Co., Chennai	Branches in the State of Tamil Nadu and the 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 :

To consider and if thought fit, to pass, with or without modification(s), the following resolutions
as Ordinary Resolutions:

5. "RESOLVED that Mr. Shyam Ramadhyani be and is hereby appointed a Director of the Company liable to retire by rotation."
6. "RESOLVED that in supersession of the resolution(s) passed at the Twelfth Annual General Meeting held on August 25, 1999, the consent of the Company, pursuant to the provisions of Sections 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, be and is hereby accorded for the extension of period of service of Mr. G. Umesh Shenoy, Managing Director, w.e.f. February 25, 2002 for a period of 6 months and further extension in period of service, if any, at the remuneration he is entitled to in accordance with the Service Regulations of Canara Bank with any modifications, revisions, thereof, if any, that might 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."

"FURTHER RESOLVED that the actions/decisions taken by Mr. G. Umesh Shenoy, Managing Director from the date of extension of his service till the date of this approval be and are hereby approved, confirmed and ratified."

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore
April 26, 2002

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 Slips 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 would remain closed from May 28, 2002 to June 04, 2002 (both days inclusive).

- (f) Payment of Dividend for the financial year 2001-02, on declaration, will be made on or after July 17, 2002 to those members whose names appear in the Register of Members of the Company as on May 27, 2002 and subject to deduction of tax at source under Section 194 of the Income Tax Act, 1961, as applicable. **Any member who is otherwise entitled to exemption is requested to submit Form No.15G in duplicate or Certificates issued in Form No.15AA by the Income Tax Authorities, to the Company on or before July 03, 2002,** to enable the Company to pay the dividend without deduction of tax at source or deduct at the appropriate rates, as applicable. It would not be possible for the Company to act on the Exemption Certificates/Declarations received after the aforesaid date, in respect of the dividend payable for the financial year 2001-02. **Pursuant to the provisions of Section 139A(5A) of the Income Tax Act, 1961, Members are requested to furnish their PAN/GIR No. to the Registrars and Share Transfer Agents of the Company, for incorporating the same in the respective TDS certificates**
- (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., R & T Centre, Hotel Broadway Complex, No.19, Kempegowda Road, Bangalore-560 009.
- (h) Members who have not encashed their dividend warrants for the years ended March 31, 1997 to March 31, 2001 and Debenture Redemption Warrants are requested to approach the Company or the Registrars and Share Transfer Agents of the Company for obtaining cheques 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 2001-02 or any other related matters are requested to write to the Company at least 15 days before the date fixed for the annual general meeting, so that the required information could be kept 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 Nominations 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 Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories Act 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.

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

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE
ANNUAL REPORT TO THE MEETING.**

Annexure to the Notice

In respect of Item No.5

The Board of Directors of the Company at their Meeting held on October 31, 2001, appointed Mr. Shyam Ramadhyani 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), Mr. Shyam Ramadhyani 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 a shareholder signifying its intention to propose the appointment of Mr. Shyam Ramadhyani as a Director of the Company.

Mr. Shyam Ramadhyani is an Honours graduate in Physics from Bangalore University, a Fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Cost and Works Accountants of India. He is a senior partner of M/s B K Ramadhyani & Co., Chartered Accountants, Bangalore and Director of Datacons Pvt. Ltd., Bangalore a Computer Software House, Datacons Asia Pacific Sdn Bhd, Malaysia, Datacons Inc. USA. M/s B K Ramadhyani & Co., is a firm of Chartered Accountants with over 60 years of Professional standing. It is one of the best known auditing firms in Karnataka. Mr. Shyam Ramadhyani has rich and varied experience in his profession and has handled various assignments like Bank Audits, Internal Audit, Direct Taxation, Strategic Alliance (structuring), Due Diligence Studies, Project Appraisals, Mergers, Amalgamations & Acquisitions, Business Functionality Study for automation, Management/Special Audits and Employee Compensation Package Structuring for reputed organisations.

Mr. Shyam Ramadhyani 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. Shyam Ramadhyani 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, had appointed Mr. G. Umesh Shenoy, General Manager, Canara Bank as a Director and then as the Managing Director of the Company w.e.f. February 25, 1999 for a period of 3 years at the remuneration he was entitled to as per the Service Regulations of Canara Bank with modifications, revisions there of, if any, that might 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. As such Mr. G. Umesh Shenoy, was to hold the office upto February 25, 2002. In the meantime, Canara Bank vide its letter dated February 18, 2002 extended his period of service for a further period of 6 months. The Board of Directors at their meeting held on April 26, 2002 have approved the extension in the period of service of Mr. G. Umesh Shenoy, Managing Director and subsequent period of extension of service, if any. Approval of the members is now being sought for the extended period of service of Mr. G. Umesh Shenoy, Managing Director and further extensions of period of his service, if any.

Your Directors feel that the approval of appointment of Mr. G. Umesh Shenoy, as the Managing Director for

8 CFHL Annual Report 2001-02

such extended period of service and further extensions, if any, is in the best interest of the Company and accordingly recommend the passing of the resolutions proposed at item No.6 of the Notice.

No Director other than Mr.G Umesh Shenoy is in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore
April 26, 2002

K S Sathyaprakash
Company Secretary

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

