

16TH ANNUAL REPORT

2002-2003



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



Mr. N Kantha Kumar
Executive Director,
Canara Bank

of

Ms. I T Vaz



Mr. R V S Rao

Mr. N Venugopala Reddy



Mr. R V Verma

Mr. Shyam Ramadhyani



Mr. K V Hegde



BOARD OF DIRECTORS

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	
Mr. K V Hegde	<i>(from September 17, 2002)</i>
Mr. G Umesh Shenoy	<i>Managing Director</i> <i>(upto September 18, 2002)</i>
Mr. Peter D F Cardozo	<i>Managing Director</i> <i>(from September 18, 2002)</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

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
Lakshmi Vilas Bank Ltd.
Indus Ind Bank Ltd.

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

Can Fin Homes Ltd

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FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED MARCH 31, 2003

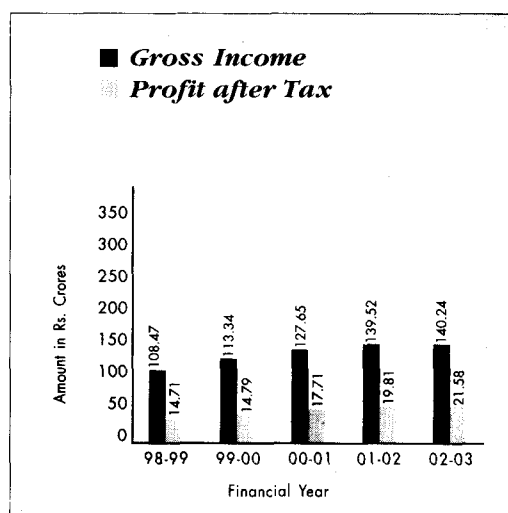
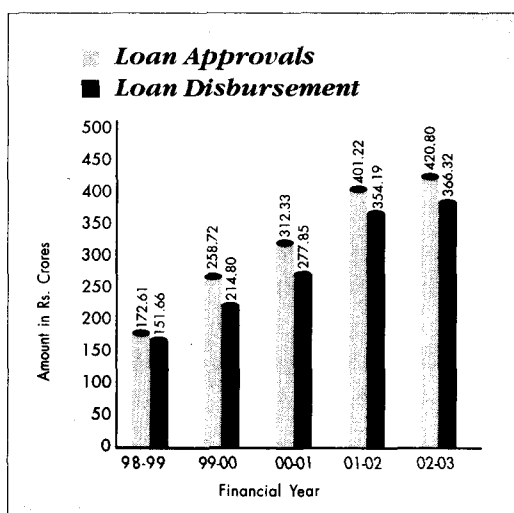
OPERATIONAL HIGHLIGHTS

Rs. in Crores

	1998-99	1999-00	2000-01	2001-02	2002-03	Cumulative Figures
Loan approvals	172.61	258.72	312.32	401.22	420.80	2657.82
Loan disbursements	151.66	214.80	277.85	354.19	366.32	2275.57

FINANCIAL HIGHLIGHTS

Gross Income	108.47	113.34	127.65	139.52	140.24
Profit after tax	14.71	14.79	17.71	19.81	21.58
Shareholders funds	78.03	87.55	100.06	113.05	128.36
Deposits	386.03	425.34	449.99	492.75	453.63
Borrowings (Secured)	230.12	270.84	356.85	475.60	517.97
Housing loan Outstanding	601.93	697.91	825.43	986.18	1093.28
Dividend (%)	22	23	23	25	25



Can Fin Homes Ltd**NOTICE**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Thursday, the July 31, 2003 at 11 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, 2003 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. Shyam Ramadhyani, 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 each of their firm's 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, if any, to be opened by the company during 2003-04
(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. Peter D F Cardozo be and is hereby appointed a Director of the Company".

"FURTHER RESOLVED that pursuant to the provisions of Section 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. Peter D F Cardozo, General Manager, Canara Bank, as the Managing Director of the company with effect from September 18, 2002 for a period of 3 years and for such further extension(s) of service as the Managing Director, if any, by Canara Bank, at such remuneration he is entitled to in accordance with the Service Regulations of Canara Bank and any modifications, revisions thereof 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".

6. "RESOLVED that Mr. K V Hegde be and is hereby appointed a Director of the company liable to retire by rotation."

To consider and if thought fit to pass with or without modifications the following resolution **as a SPECIAL RESOLUTION**:

7. "RESOLVED that pursuant to Section 149(2A) of the Companies Act, 1956 and other applicable provisions, if any, the consent of the shareholders be and is hereby accorded to the Board of Directors to commence and carry out all or any of the business activities permitted under Clause 3 under the Heading "III (C) OTHER OBJECTS NOT INCLUDED IN "A" AND "B" ABOVE" contained in the Memorandum of Association of the company and particularly the business of providing personal Mortgage Loan to the existing borrowers of loans from the company.

Bangalore
May 06, 2003

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BY ORDER OF THE BOARD OF DIRECTORS
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 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 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 to 7 are enclosed herewith.

Can Fin Homes Ltd

- (e) The Register of Members and Share Transfer Books of the company would remain closed from June 13, 2003 to June 19, 2003 (both days inclusive).
- (f) Payment of Dividend for the financial year 2002-03, on declaration, will be made on or after July 31, 2003 to those members whose names appear in the Register of Members of the company as on June 12, 2003.
- (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, 2002 and Debenture Redemption Warrants are requested to approach the company or the Registrars and Share Transfer Agents of the company for revalidating the warrants or 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 2002-03 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:** Pursuant to the Provisions 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 Depositories to the company will be printed on their dividend warrant(s) 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 to which they wish the dividend amount to be credited, to their respective Depository Participants.

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

ANNEXURE TO THE NOTICE

Explanatory Statements 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 September 17, 2002 appointed Mr. Peter D F Cardozo, General Manager, Canara Bank as a Director and then as the Managing Director of the company with effect from the afternoon of September 18, 2002, for a period of 3 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. Peter D F Cardozo holds office only up to the date of the ensuing Annual General Meeting. The company has received a notice in writing from Canara Bank, one of the Promoters and Shareholders of the company, under Section 257 of the Act signifying their intention to propose the appointment of Mr. Peter D F Cardozo as a Director of the company.

Mr. Peter D F Cardozo started his career as an Officer in Canara Bank from 03.09.1971. During his service in the Bank for a period of over 31 years, he has worked in various branches of the Bank in different States and held responsible positions. He was elevated to the position of Deputy General Manager on 01.10.1999. Before occupying his present position, he was functioning as the Deputy General Manager, Canara Bank, Circle Office, New Delhi. Mr. Peter D F Cardozo has consented for being appointed as a Director of the company. Presently, he is in the cadre of General Manager of Canara Bank. In compliance with the applicable provisions of the Act, approval of the members to the appointment of Mr. Peter D F Cardozo as a Director and Managing Director for the period mentioned above and also for such extension in the period of his service, if any, by Canara Bank, at the remuneration payable as mentioned above, is now being sought.

Your Directors feel that the appointment of Mr. Peter D F Cardozo would be in the best interest of the company and accordingly recommend passing of the resolutions proposed at Item No.5 of the Notice.

This explanatory statement may be treated as an abstract of the terms and conditions governing the appointment of Mr. Peter D F Cardozo pursuant to Section 302 of the Companies Act, 1956.

No Director other than Mr. Peter D F Cardozo is in any way concerned or interested in the said resolutions.

In respect of Item No.6

The Board of Directors of the company at their Meeting held on September 17, 2002, appointed Mr. K V Hegde 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. K V Hegde holds office only up to the date of the ensuing Annual General Meeting. The company has received a notice in writing from Canara Bank, one of the Promoters and Shareholders of the company under Section 257 of the Act, signifying their intention to propose the appointment of Mr. K V Hegde, as a Director of the company.

Mr. K V Hegde holds a Master degree in Commerce from Karnataka University, Dharwad, a Certified Associate/ Fellow of Indian Institute of Bankers, Associate of Institute of Bankers (London). He has served Canara Bank and its subsidiaries in various capacities such as Asst. General Manager, Regional Office, Delhi, Deputy Chief Executive of Canbank Mutual Fund, Mumbai, Executive Director, Canbank Investment Management Services Ltd., Mumbai, Deputy General Manager, Canara Bank, Circle Office, Thiruvananthapuram, Managing Director, Gilt Securities Trading Corporation Ltd., Mumbai, Managing Director, Canbank Investment Management Services Ltd., Mumbai. Presently, he is the General Manager, Treasury & International Operations Wing at Canara Bank, Head Office, Bangalore.

Mr. K V Hegde has consented for being appointed as a Director of the company.

Your Directors feel that the appointment of Mr. K. V. Hegde, 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.

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No Director other than Mr.K V Hegde is in any way concerned or interested in the said resolution.

In respect of Item No.7

The Members are aware that the company is carrying on the business of providing housing loans successfully and profitably from the inception. Keeping in view the future growth potential, the Board of Directors of the company have identified the following new line business viz., the "Personal Mortgage Loan Scheme" to the existing borrowers of loan(s) from the company.

The Board of Directors are of the opinion that there is a very good potential for the aforesaid line of business activity and that the company would be in a position to take up the same profitably. However, the said business activity(ies) are not forming part of the main objects of the company contained in the Memorandum of Association and are permissible only under the heading "III (C) OTHER OBJECTS NOT INCLUDED IN "A" AND "B" ABOVE" contained therein viz., "To carry on business as financiers, capital contributors, commercial agents, mortgage brokers, financial agents and advisors."

Further, pursuant to the provisions of Section 149 (2A) and all other applicable provisions of the Companies Act, 1956, commencing and carrying out any business activity which is classified under the heading "Other Objects" contained in the Memorandum of Association, requires the consent and approval of the Members by means of a special resolution. Hence, the above special resolution is placed before the shareholders for consideration and approval so as to enable the Board of Directors to commence and carry out the proposed new line of business activity.

The Board of Directors recommend adoption of the resolution in the best interest of the company.

No Director is in any way concerned or interested in the said resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore
May 06, 2003

Report



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K S SATHYAPRAKASH
Company Secretary

Registered Office:

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