



Report

A i m i n g G r e a t e r H e i g h t s

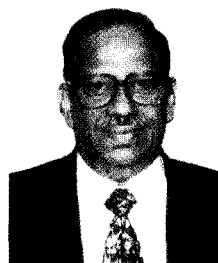


Can Fin Homes Ltd
(Sponsor: CANARA BANK)
HOME LOANS ♦ DEPOSITS
Translating Dreams into Reality

17th Annual Report 2003-2004



Mr. R V Shastri
Chairman & Managing Director
Canara Bank



Mr. N Kantha Kumar
Executive Director
Canara Bank

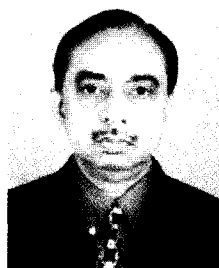
Board of Directors



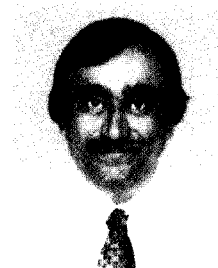
Mr. S Doreswamy
Chairman



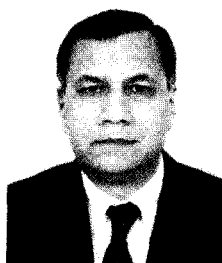
Ms. I T Vaz



Mr. R V S Rao



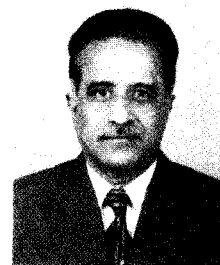
Mr. Shyam Ramadhyani



Mr. V K Badami



Mr. K Annappayya



Mr. Peter D F Cardozo
Managing Director

BOARD OF DIRECTORS

Mr. S Doreswamy, Chairman	(from September 19, 2003) (Chairman from October 28, 2003)
Mr. K V Hegde, Chairman	(Upto September 23, 2003)
Ms. I T Vaz	Nominee Director - UTI
Mr. R V S Rao	
Mr. N Venugopala Reddy	(Upto July 31, 2003)
Mr. R V Verma	Nominee Director - NHB (Upto September 16, 2003)
Mr. Shyam Ramadhyani	
Mr. V K Badami	Nominee Director - NHB (from September 16, 2003)
Mr. K Annappayya	(from October 28, 2003)
Mr. Peter D F Cardozo	Managing Director

EXECUTIVES

General Manager

Mr. B. Sudhakar Shetty

Assistant General Managers

Mr. K. Suresh Rao

Mr. N.V. Rangaswamy (Upto May 31, 2003)

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

Mr. T. Baktavatchalam

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 : 22872461, 22872462

Fax : 22872804

E-mail : ccslrnt@vsnl.com

AUDITORS

K P Rao & Company

Chartered Accountants

'Poornima', 25

Madras Bank Road,

Bangalore - 560 001

PRINCIPAL BANKERS

Canara Bank

Indus Ind Bank Ltd.

REGISTERED OFFICE

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

Tel : 26565742, 26565747, 26568687, 26570155 Fax : 26565746

Website : www.canfinhomes.com

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

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED MARCH 31, 2004

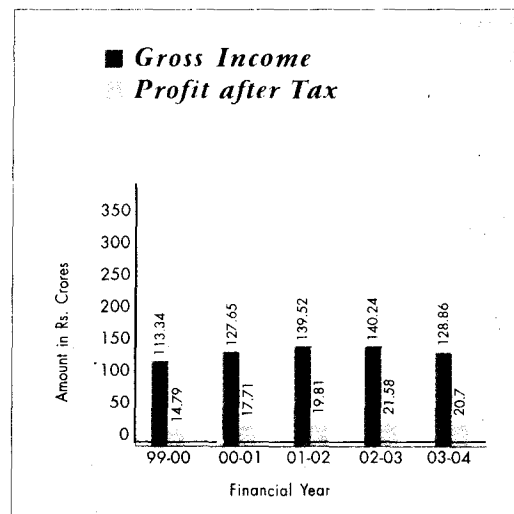
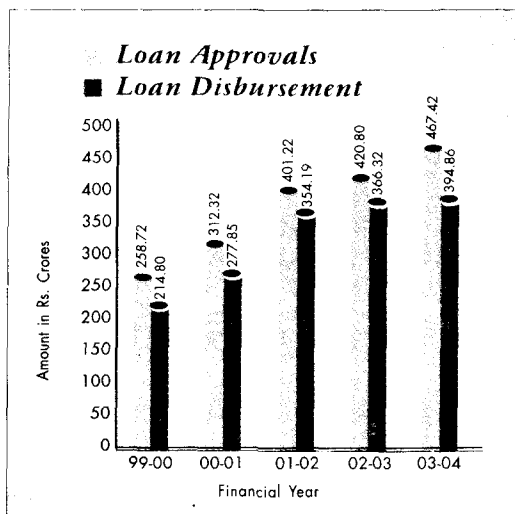
OPERATIONAL HIGHLIGHTS

Rs. in Crores

	1999-00	2000-01	2001-02	2002-03	2003-04	Cumulative Figures
Loan approvals	258.72	312.32	401.22	420.80	467.42	3125.24
Loan disbursements	214.80	277.85	354.19	366.32	394.86	2670.43

FINANCIAL HIGHLIGHTS

Gross Income	113.34	127.65	139.52	140.24	128.86
Profit after tax	14.79	17.71	19.81	21.58	20.70
Shareholders funds	87.55	100.06	113.05	128.36	137.41
Deposits	425.34	449.99	492.75	453.63	406.71
Borrowings	270.84	356.85	475.60	517.97	623.42
Housing loan Outstanding	697.91	825.43	986.18	1093.28	1185.26
Dividend (%)	23	23	25	25	25



Can Fin Homes Ltd**NOTICE**

NOTICE is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING of the Members of CAN FIN HOMES LTD will be held on Wednesday, the July 21, 2004 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, 2004 and the Profit and Loss Account for the year ended that date together with the Report of 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 M/s. 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 2004-05
(ii)	M/s L U Krishnan & Co.,	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. S Doreswamy be and is hereby appointed a Director of the company, liable to retire by rotation."
6. "RESOLVED that Mr. K Annappayya 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 modification(s), the following resolutions as **Special Resolutions**:

7. "RESOLVED that the Equity Shares of the company be delisted voluntarily from the Madras Stock Exchange Ltd., and/or any of the other stock exchanges where the securities of the company are listed for the time being, as decided by the Board of Directors from time to time, subject to the Equity Shares of the company

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remaining listed at either of the Stock Exchanges having nationwide trading terminals i.e., The Stock Exchange, Mumbai or National Stock Exchange of India Ltd., referred to in Regulation 5 of the 'Securities and Exchange Board of India (De-listing of Securities) Guidelines, 2003' and further subject to other compliance(s), clearance(s) as mandated under the said Guidelines".

"RESOLVED FURTHER that the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred by this resolution), be and is hereby authorised to seek voluntary delisting at such time as they may, in the absolute discretion, consider appropriate on the terms and conditions as may be stipulated, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may deem necessary, proper or desirable and to settle any questions, doubts or issues that may arise in regard to delisting of the equity shares and to execute all such deeds, documents writings as may be necessary, desirable or expedient and for this purpose to delegate the authority and duly vested in it by virtue hereof to the Managing Director or the Company Secretary or any other person whom the Managing Director may consider suitable to do the various acts and things required to be done in this behalf".

8. "RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the company be and are hereby altered in the manner and to the extent as given herein below:

The following Article be inserted after Article No.27 in the Articles of Association of the company:-

"27(a) Notwithstanding anything contained in these Articles, pursuant to Section 192A of the Companies Act, 1956 ("the Act") and other provisions of the Act, applicable, if any, the company may and in the case of matters relating to such business as the Central Government may, by notification, declare or any other statutory authority stipulate to be conducted only by postal ballot (including voting by electronic mode), shall get any resolution passed by means of a postal ballot (including voting by electronic mode) instead".

"If a resolution is assented by the stipulated majority of the shareholders by means of postal ballot (including voting by electronic mode), it shall be deemed to have been duly passed at a General Meeting in that behalf".

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore

Dated : May 11, 2004

K S SATHYAPRAKASH

Company Secretary

Registered Office:

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

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING & VOTE ON HIS/HER BEHALF ONLY ON A POLL. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.**
- 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 8 are enclosed herewith.
- The particulars of directors to be appointed and re-appointed are furnished in the Report on Corporate Governance annexed to the Report of the Directors.
- The Register of Members and Share Transfer Books of the company would remain closed from June 10, 2004 to June 16, 2004 (both days inclusive).
- Payment of Dividend for the financial year 2003-04, on declaration, will be made on or after, July 21, 2004 to those members whose names appear in the Register of Members of the company as on June 09, 2004.

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6. 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, Unit: Can Fin Homes Ltd., Hotel Broadway Complex, No.19, Kempegowda Road, Bangalore - 560 009 immediately.
 7. The company has already transferred all unclaimed dividends declared upto the financial year 1995-96 to the General Revenue a/c of the Central Government in terms of Section 205A of the Companies Act, 1956. Those who have not encashed the dividend warrants for the said period may claim their dividend from the Registrar of Companies in Karnataka, O/o the Registrar of Companies, II Floor, E Wing, Kendriya Sadana, Koramangala, Bangalore – 560 034.
 8. Members who have not encashed their dividend warrants for the years from 1996-97 upto 2002-03, Debenture Interest (XI to XIV) and Debenture Redemption Warrants (debentures redeemed in 1999) 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. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the dividend amount declared for 1997 & Debenture Interest XI & XII would be transferred to the Investor Education & Protection Fund (IEPF) during 2004-05 since such amounts that remain unpaid for a period of 7 years from the date on which it became first due are to be transferred to the IEPF established by the Central Government pursuant to Section 205C of the Act. Members may please note that no claim would lie against the IEPF or the company in respect of the individual amounts which were unclaimed and unpaid for a period of 7 years from the date they first became due for payment and no payment(s) would be made against such claims.
 9. **The shareholders desirous of obtaining any information with regard to the audited annual accounts of the company for the financial year 2003-04 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 information required could be kept ready.**
 10. **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 for registering the nominations, if any.
 11. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the National Securities Depository Ltd., & Central Depository Services (India) Ltd. 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, 1996 and the company will not be in a position to act on any direct request from such members for change/deletion of such bank details. Further, the instructions, if any, already given by the members, in respect of shares held in physical form, if any, will not automatically be 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 immediately.
 12. **Members attending the Annual General Meeting are requested to bring the following with them (as applicable):**
 - (a) Members holding shares in dematerialised form, their DP & Client ID Number(s).
 - (b) Members holding shares in physical form, their folio number.
 - (c) Copy of the Annual Report & Notice (2003-04).
 - (d) The Attendance Slip duly completed & signed in terms of specimen signature lodged with the company.
 - (e) 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.

The company would accept only the Attendance Slip from a member actually attending the Meeting or from the person attending as a Proxy under a valid Proxy Form registered with the company not less than 48 hours prior to the Meeting. Attendance Slips of members/valid Proxies, not personally present at the Meeting, or relating to Proxies which are invalid, will not be accepted from any other member/ Person(s).
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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 19, 2003, appointed Mr. S Doreswamy as an Additional Director of the company. Pursuant to the provisions of Article 26 of the Articles of Association of the company, the Board of Directors at their Meeting held on October 28, 2003 elected Mr. S Doreswamy, as Chairman 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. S Doreswamy 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. S Doreswamy as a Director of the company.

Mr. S Doreswamy holds a Bachelor degree in Science and a Bachelor Degree in Law. He is a Fellow Member of the Indian Institute of Bankers. He has over 35 years of productive experience in commercial banking preceded by practice as an Advocate. Having started his banking career in Canara Bank as a directly recruited Officer, Mr. Doreswamy has later on held different positions in Dena Bank before becoming its Chairman & Managing Director. He was the Chairman & Managing Director of the Central Bank of India for 4 years and also served Cent Bank Home Finance Ltd., as its Chairman. Presently, he is a Financial & Banking Consultant, a Member of the Rating Committee of CARE, a leading Credit Rating Agency promoted by IDBI and is on the Board of several leading companies.

Mr. S Doreswamy is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

Your Directors feel that the appointment of Mr. S Doreswamy 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. S Doreswamy 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 October 28, 2003, appointed Mr. K Annappayya 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 Annappayya holds office only up to the date of the ensuing Annual General Meeting. The company has received a notice in writing from a shareholder of the company under Section 257 of the Act, signifying their intention to propose the appointment of Mr. K Annappayya as a Director of the company.

Mr. K Annappayya, holds a Bachelor degree in Commerce and is a Certified Associate of Indian Institute of Bankers (I). He has served Canara Bank in various capacities in different Regional and Circle Offices and at the Head Office of the Bank. Presently, he is the General Manager, Canara Bank, Circle Office, Bangalore.

Mr. K Annappayya is willing to act as a Director of the company, if so appointed and has consented for being appointed as a director of the company.

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.6 of the Notice.

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

In respect of Item No.7

The Equity Shares of the company are at present listed in India at Bangalore Stock Exchange Ltd., Bangalore (BgSE) (the Regional Stock Exchange), National Stock Exchange of India Ltd., (NSE), The Stock Exchange,

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Mumbai (BSE) and Madras Stock Exchange Ltd., Chennai (MSE). The shares of the company are being traded in the stock exchanges compulsorily in de-mat mode with effect from December 26, 2000.

As per the '**Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003**' it is open for the company to get securities from Stock Exchange(s) voluntarily delisted, provided its securities continue to be listed in the Stock Exchange having nationwide trading terminals.

The substantial volume of trades has been taking place only through The Stock Exchange, Mumbai and National Stock Exchange of India Ltd., Mumbai. The shares of the company are already listed and continue to be listed/traded at NSE & BSE, as stipulated by the aforesaid guidelines, which do have trading terminals in various cities affording the investors access to trade and deal in the company's shares across the Country.

The trading volumes at the MSE had been NIL during the period from 2001 to 2004 mainly due to the availability of nationwide terminals of NSE & BSE everywhere. Your Directors are of the view that no particular benefit is available to the shareholders of the company by continuing the listing of shares at this stock exchange. Therefore, it is proposed to get the equity shares of the company delisted from the said stock exchange, as it will hardly cause any inconvenience to the investors.

The resolution under this item is intended to obtain the approval of members for the proposed delisting of the equity shares of the company from MSE and other stock exchanges as decided by the Board from time to time. Your Directors are commending the said resolution for approval of members.

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

In respect of Item No.8

Section 192A has been inserted in the Companies Act, 1956 empowering the Central Government to declare that certain matters can be transacted by the company through a resolution passed by a postal ballot only to make it possible for wider participation of shareholders in taking key decisions of the company.

Consequently and to bring the Articles of the company in consonance with the amended section, a new Article 27(a) is proposed to be inserted in the Articles of Association of the company to meet the above said requirements for passing of certain resolutions by postal ballot.

Pursuant to Section 31 and all other applicable provisions of the Companies Act, 1956, if any, it is necessary to pass a Special Resolution to amend any of the provisions of the Articles of Association. Therefore, the Board commends the said resolution for approval of the members.

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

BY ORDER OF THE BOARD OF DIRECTORS

Bangalore

Dated : May 11, 2004

K S SATHYAPRAKASH

Company Secretary

Registered Office:

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