



"Meeting of Can Fin Homes Limited 33rd Annual General"

August 26, 2020, Wednesday, 11:00 a.m.

Management: Mrs. Bharati Rao – Chairperson

Mr. Girish Kousgi – Managing Director and Chief Executive Officer

Mr. Shreekant M Bhandiwad – Deputy Managing Director

Mr. G Naganathan – Independent Director

Dr. Yeluri Vijayanand – Independent Director

Mr. Debashish Mukherjee – Executive Director of Canara Bank

**Mr. Lingam Venkata Prabhakar – Managing Director and
Chief Executive Officer, Canara
Bank**

**Mr. Satish Kumar Kalra – Former Whole-Time Director, Andhra
Bank**

**Mrs. Shubhalakshmi Panse – Former Chairperson and Managing
Director, Allahabad Bank**

Mrs. Shamila M- General Manager

Mrs. Veena G Kamath – Company Secretary

Mr. Prashanth Joishy- Chief Financial Officer

Moderator

Dear shareholders, good morning and warm welcome to you all to the 33rd Annual General Meeting of Can Fin Homes Limited, through video conferencing or other audio-visual facility. As a reminder, for the smooth conduct of the meeting, the members will be in the mute mode. The audio and video will be open when they speak at the AGM as per the pre-registration. Please note that as per the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. Over to Mrs. Veena G Kamath, Company Secretary of Can Fin Homes Limited. Over to you ma'am.

Veena G Kamath:

Namaskara. Ladies and gentlemen, I welcome all the members, special invitees, our Chairperson, Managing Director, Deputy Managing Director, and all the members of our Board of Directors, Mr. Kesar Das and Mr. Abraham from Varma & Varma, our Statutory Auditors, Mr. S Kedarnath from S Kedarnath & Associates, Secretarial Auditor, our tax consultants and key managerial personnel of the company to this 33rd Annual General Meeting of Can Fin Homes Limited, on this the Wednesday, 26th August, 2020.

Our Chairperson, Mrs. Bharati Rao is a former Deputy Managing Director of State Bank of India. She is a non-Executive Independent Director on the Board of our company. She is the chairperson of Corporate Social Responsibility Committee and a member of Nomination Remuneration and HR Committee, Stakeholders Relationship Committee and Risk Management Committee. I request our Chairperson, Mrs. Bharati Rao to preside over the meeting.

Bharati Rao:

Dear shareholders, I, Bharati Rao, Chairperson, welcome you all to this meeting. I am joining this meeting from the boardroom of the company. I hope all of you are safe and keeping well during these tough times due to COVID-19 pandemic. I am confident that this crisis will pass soon, and we will emerge stronger. This 33rd Annual General Meeting of the Cam Fin Homes Limited is being held through video conferencing in accordance with the circulars and guidelines issued by

the Ministry of Corporate affairs and the Securities & Exchange Board of India.

Let me introduce you to the members of the Board of your company participating in this meeting.

We have with us Girish Kousgi – Managing Director and CEO of the company. He is the Chairperson of the Management Committee and a member of the Stakeholders Relationship Committee, and Corporate Social Responsibility Committee. He is joining this meeting from the boardroom of the company.

Shreekant M Bhandiwad, Deputy Managing Director of the company. He is a DGM in Canara Bank. He is a member of the Corporate Social Responsibility Committee, Risk Management Committee, IT Strategy Committee and Management Committee. He's also joining from the boardroom of the company.

G Naganathan, practicing chartered accountant. He is the Chairperson of the Audit Committee and IT Strategy Committee. He's also a member of the Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Nomination Remuneration in HR Committee. He's participating from Chennai.

Yeluri Vijayanand, former Deputy Managing Director of SBI and former Managing Director of SBM. He is the Chairperson of the Nomination Remuneration HR Committee, and Stakeholders Relationship Committee. And he's a member of the Audit Committee. He's participating from Hyderabad.

Debashish Mukherjee, he's the Executive Director of Canara Bank. He is the Chairperson of the Risk Management Committee and member of the Nomination Remuneration HR Committee. He's participating from Bangalore.

We also have with us Lingam Venkata Prabhakar, MD and CEO of Canara Bank. The resolution relating to his appointment as a Director is placed before the members. He is participating from Bengaluru.

Satish Kumar Kalra, former Whole-time Director of Andhra Bank. He also held additional charges as MD and CEO of Andhra Bank. The resolution relating to his appointment as an Independent Director is placed before the members. He is participating for Gurugram.

Shubhalakshmi Panse, former Chairperson and Managing Director of Allahabad Bank. The resolution relating to her appointment as an Independent Director is placed before the members. She is participating from Pune.

I am happy to welcome you all once again on behalf of the Board of Directors to this 33rd Annual General Meeting of your company on video conferencing. And I thank you for your participation.

Veena, quorum is there to commence the meeting?

Veena G Kamath: Quorum is there, ma'am. Kindly proceed with the proceedings.

Bharati Rao: Participation of members through video conferencing is reckoned for the purpose of quorum as per the circulars issued by MCA, and Section 103 of the Companies Act 2013. Quorum being present, I call the meeting to order.

The register of directors and key managerial personnel, the register of contracts for arrangements has been made available electronically for inspection by the members during the AGM. Members can send their requests to investors.relationship@canfinhomes.com. The same are made available on the e-voting platform arranged by NSDL also. I request Veena to provide general instructions to the members.

Veena G Kamath: Ladies and gentlemen, this meeting is being held through video conferencing, as already mentioned by the Chairperson, in accordance

with the circulars issued by Ministry of Corporate Affairs, applicable provisions of Companies Act 2013, and SEBI listing regulations 2015. The company has enabled the members to participate in this 33rd Annual General Meeting through video conferencing facility provided by National Securities Depositories Limited, that is NSDL. Facility for joining this meeting through video conference or other audio-visual means is made available for members on a first-come first-serve basis. The proceedings of this meeting are being recorded for compliance purposes.

In accordance with the provisions of Companies Act 2013 and SEBI Listing regulations, the members have been provided the facility to exercise their right-to-vote by electronic means, both through remote e-voting and e-voting during the AGM. Since the AGM is being held in accordance with MCA circulars through VC, the facility for appointment of proxies by the members has not been made available. The Annual Report, AGM notice, together with instructions for remote e-voting, e-voting today for attending the meeting on video conference and process to be followed by the members who have not registered their email IDs, and also the general instructions were sent to all the members who had registered their email IDs by way of email through NSDL platform on 3rd and 4th of August 2020.

We had received requests from six members for physical copies of the Annual Reports and we have dispatched the same. Members may note that the notice and Annual Report 2019-2020 are also made available on the company's website, on the websites of NSE and BSE, and also on the website of NSDL. Remote e-voting facility was made available for all the 11 agenda items during the period commencing from 22nd August 2020, Saturday, 9am; till 25th August 2020, Tuesday, 5pm. All the members who are holding shares as of the cutoff date, that is August 19 2020, only are entitled to vote in terms of the applicable rules.

Members joining the meeting through video conferencing, who have not cast their vote by using remote e-voting facility, may vote through e-voting facility provided on the NSDL portal. The members who have already cast their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again.

The Board of Directors has appointed Mr. S. Kedarnath, Partner of Kedarnath & Associates as the scrutinizer for this meeting. Based on a report of the scrutinizer, the combined results of rebooting e-voting and e-voting during the meeting today will be announced and displayed on the website of the company and will also be submitted to the stock exchanges as per the requirements under SEBI listing regulations.

Regarding expression of views or questions from members, I wish to inform that the company has received requests from the members, Mr. Mukesh M., Chandira Mani, Mr. Ashit Kumar Pathak, Mr. Santosh Kumar Saraf, Mr. K. Sadanand Sashtri and Mr. Kankanala Bharat Raj and Mr. Abhishek to register them as speakers at the meeting. Accordingly, the moderator will facilitate the speakers one by one to express their views when the chairperson opens the floor for question and answers.

Members can post the views or questions in the chat box of their video conference screen before 11:30am. It may be noted that the company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM. We request the members who are posting their queries in the chat box to type their respective email ids. In case of paucity of time, the response from management will be sent by emails to them.

I request the Chairperson to continue with the proceedings of the meeting.

Bharati Rao: I am satisfied that all the efforts feasible under the circumstances have been made by the company to enable members to participate and vote on the items being considered at this meeting.

Moderator: The Chairperson will now present her statement

Bharati Rao: Dear shareholders, Can Fin Homes continues to play an instrumental role in fulfilling home ownership dreams of many, lending a sense of security, with its objective of providing timely finance for the purpose of acquiring an affordable shelter, the institution has established its own niche in the housing loan arena. As we complete 33 years in the industry, we continue to progress, aligning our vision and mission of enabling people to acquire homes and increase housing stock in the country.

The last fiscal drew attention to a world that was readily morphing to cope with rapid changes, especially towards the end of March when we came face to face with the unforeseen challenges imposed by the Coronavirus pandemic. We accustomed ourselves to the new normal amidst travel bans and restrictions on huge gatherings with abundant precautions and adoption of social distancing measures to curtail the contagion.

At Can Fin too, we have geared up for a new work order and have effective necessary preparations for our very first virtual Annual General Meeting in order to share our journey through the financial year 2019-2020 with you.

The economic outlook: India's GDP softened to 4.2% FY '20 owing to multiple macro-economic uncertainties, including a slump in domestic consumption. The real estate market weakened by the impact of GST and demonetization further amplified economic woes. However, India continued to feature among the fastest growing emerging market economies in the world. There is optimism about growth bouncing back in the years ahead.

In an effort to arrest the downfall of a sluggish economy, the government continued to introduce favorable fiscal policies and monetary stimulus to initiate recovery. Measures such as reduction of lending rates, corporate tax rates, etc. to improve liquidity in the market augured well for the economy. It helped India to rise to the 63rd position in the World Bank's Ease of Doing Business Report 2019. It became the fifth largest economy in the world in terms of GDP growth during FY '20.

Towards the end of the last fiscal the country, as well as the world, witnessed one of the harshest periods in the recent memory as we grappled with the enormity of an unprecedented global pandemic, with loss of life, disruptions in all spheres of society became common as existing healthcare infrastructure was found short to cope with the COVID-19 outbreak. Countries were locked down to save lives and economic activity came to a complete halt. To bring the economy back on track, the government is trying to improve liquidity through fiscal and monetary packages, which in turn is expected to aid economic revival.

The Indian housing finance industry: Over the years, the Indian housing sector has undergone massive transformation, as demand and supply have evolved as per the customer preferences. To meet the constant changing needs of home buyers, developers as well as other real-estate players, the government continues to keep an eye on this sector, rolling out concrete plans to fulfil the growing housing demand. Rapid urbanization, increasing population, continued rural urban migration and rising purchasing power have contributed to the demand for affordable housing in India. Schemes like the Pradhan Mantri Aawas Yojana have been designed to provide shelter to the economically weaker sections of society, as well as to the middle income group. With sharp focus on affordability and housing shortage in urban areas, the initiative aims to benefit first time homebuyers.

Budget 2020 has also made provisions for relaxations in the realm of affordable housing, for homebuyers and developers alike. The Union Government extended the benefit of additional reductions of upto Rs. 1.50 lakhs for interest paid on loans for affordable houses till 31st March 2021. The Central Government has further tried to incentivize the affordable housing sector with a one year tax holiday extension for real-estate developers. The government's attempt to boost infrastructure in the country will also help create jobs over the next few years, which in turn is likely to foster the demand for affordable houses. All these factors are likely to act as an impetus for the affordable housing sector, improving supply and reducing housing shortages to a great extent.

Operational highlights: During FY '20, your company continued to strive for improvement and sustained growth. To make housing affordable, we have extended our services to borrowers and clients across the country. And the focus has been on improving our reach in Tier 2, 3 and 4 cities.

We added nine new branches during FY2019-2020 and the tally stood at 184 branches and 14 satellite offices as on 31/03/2020. Our endeavor is to deliver positive results, reflecting the inherent strength and resilience of your company to chart growth trajectories despite many challenges. Our loan book stood at Rs. 20,706 crores as on 30/03/2020, an increase of 13% in comparison to the previous year. At present, we serve 1.70 lakh clients and during the year, have recorded loan approvals of Rs. 5,897 crores, and disbursements of Rs. 5,481 crores. 90% of the loan book pertained to housing, while 5% accounted for top-up loans and loans against property amounted to 5%.

Your company recorded a profit after tax of Rs. 376.12 crores in FY '20, 26.75% higher than the last fiscal. Additionally, our ROA stood at 1.93% and we recorded 17.44% return on equity. The facility of moratorium has been extended to all borrowers who have sought this

benefit. Your company is also determined to consistently improve collections and safeguard its reputation of being one of the best HFCs in terms of asset quality.

Can Fin has wholeheartedly discharged its corporate social responsibility and contributed a total of Rs. 10 crores to the cause of education, female literacy, healthcare, nutrition, women's empowerment, ecological conservation, and aid for natural disasters. Your company contributed Rs. 1.50 crores to the Prime Minister Relief Fund, and Rs. 1 crore to the Karnataka State Disaster Management Authority for COVID-19 relief measures.

Future Outlook: A concerted focus on the affordable housing segment lies at the core of our operations. With the government's mission of providing housing for all by 2022, we see an opportune landscape before us. Going forward, we remain enthused to promote a judicious mix of housing, as well as non-housing loans to both salaried and self-employed segments.

Acknowledgements: At the end of another successful year, I would like to express my deep gratitude towards the members of the board, the regulator, National Housing Bank and Reserve Bank of India, Canara Bank, and the auditors M/s. Varma & Varma for their guidance, support and cooperation. I would also like to appreciate our shareholders, customers, employees for their faith and loyalty towards the company. And together, we shall continue to scale new peaks. Thank you.

Moderator: Thank you so much, ma'am. The Chairperson will now announce about the AGM notice and Auditor's Report.

Bharati Rao: As already mentioned by Veena, all the relevant documents like AGM notice, Annual Report including financials, necessary instructions have been sent by electronic mode to those members whose email addresses are registered with the company or depositories. These documents have also been made available on the company's website.

Considering the same, I would like to take the notice dated 30 July, 2020, relating to the 33rd Annual General Meeting of the company as read.

Now I request the Company Secretary to present the Auditor's Report for the financial year 2019-2020.

Veena G Kamath: Dear members, M/s. Varma & Varma, Statutory Auditors, have given their unqualified Auditor's Report for the financial year ended 31st March, 2020. There are no qualifications, observations or comments on the financial transactions on matters which had any adverse effect on the functioning of the company. Independent Auditor's Report on audit of IndAS financial statements, together with Annexure A relating to report on Other Legal and Regulatory Requirements, and Annexure B relating to report on the Internal Financial Controls are placed at page numbers 113 to 121 of the Annual Report.

Mr. S Kedarnath, Practicing Company Secretary from S. Kedarnath & Associates was appointed as the Secretarial Auditor as per Section 204 of the Companies Act 2013 for the financial year 2019-2020. The report submitted by the auditor is placed as Annexure 2 to the Report of Directors at page number 60 to 62. There are no qualifications, observations or other remarks made by the auditor. Hence, the Auditor's Reports are taken as read. Thank You

Moderator: The Chairperson will take up resolutions as set forth in the notice.

Bharati Rao: We now take up a resolution set forth in the notice of the 33rd Annual General Meeting. I authorize and request Veena to take us through the business that are to be considered at this meeting.

Veena G Kamath: The following items of ordinary business have to be considered at this meeting.

Agenda Item #1, Adoption of Accounts to receive, consider and adopt the audited financial statements, including balance sheet as at March

31, 2020, and the statement of the profit and loss account of the company for the year ended that day, together with the reports of directors and auditors thereof. The complete financial statements with all annexures thereto are already provided to the members.

Agenda Item #2, to declare a dividend of Rs. 2 per equity share for the financial year ended March 31, 2020. The Board has recommended the dividend of Rs. 2 per equity share, duly considering the capital adequacy requirements, deferred tax liability, uncertainty on account of COVID-19 pandemic, its impact on the economy, financial markets, etc.

Agenda Item #3, to appoint a Director in the place of Shri Debashish Mukherjee, Director, who retires by rotation and being eligible offers himself for reappointment. The following items of special business are to be considered at this meeting. The relevant resolutions are already provided in the notice.

Agenda Item #4, appointment of Shri Girish Kousgi as Managing Director and CEO as an ordinary resolution.

Agenda Item #5, appointment of Shri Satish Kumar Kalra as an Independent Director as an ordinary resolution.

Agenda Item #6, appointment of Smt. Shubhalakshmi Panse as an Independent Director as an ordinary resolution.

Agenda Item #7, appointment of Shri Lingam Venkata Prabhakar as a Director as an ordinary resolution.

Brief profile and complete particulars relating to Shri Debashish Mukherjee, Shri Girish Kousgi, Shri Satish Kumar Kalra, Smt. Shubhalakshmi Panse and Sri Lingam Venkata Prabhakar, including the terms and conditions of appointment or reappointment are provided in the explanatory statements at page numbers 12 to 18 of the notice. Agenda Items #4 to #7 require approval from the members

as additional directors hold office only up to the date of Annual General Meeting in terms of Section 161 of the Companies Act.

Agenda Item #8, acceptance of deposits from public as an ordinary resolution. The prior consent of members is requested in terms of Section 73(2) of the Companies Act 2013, to accept deposits from public to the extent not exceeding 3 times of the net owned funds, subject to the condition that the amount accepted in the form of deposits from public, together with the existing borrowings and future borrowings would be within the limits specified by the Members under Section 181C of the Companies Act. The details relating to the subject are provided in page numbers 18 and 19 of the notice of this meeting.

Agenda Item #9. Borrowed amounts not exceeding Rs. 27,500 crores as a special resolution. The total borrowings of the company as on March 31, 2020, was Rs. 18,633.90 crores. As per NHB guidelines, for the financial year ending March 31, 2021, the maximum amount that the company can borrow shall not exceed 13 times of net Owned funds as per the last audited balance sheet. As on March 31, 2020, the NOF was Rs. 2,123.44 crores net of dividend payout, and hence our borrowing limit shall not exceed Rs. 27,604 crores at the end of the financial year 2020-21. The borrowing power of Rs. 27,500 crores sought by the company will be valid till the outstanding borrowing of the company reaches the limit approved at the AGM. So, the details relating to the subject are provided in page number 19 of the notice of this meeting.

Agenda Item #10, offer or invitation for subscription of non-convertible debentures or bonds, secured or unsecured, of any nature, up to an amount not exceeding Rs. 4,000 crores on private placement as a special resolution. Keeping in view the increasing volume of business of the company, alternative sources of funding, cost of each of the sources and subject to the provisions of the applicable law, the company intends to offer or invite subscription of bonds or NCD, or the Tier-II bonds up to an amount of Rs. 4,000 crores on private

placement basis for a period of one year, up to the conclusion of the next Annual General Meeting in one or more tranches. However, it will be ensured that the NCDs, together with all other existing and future borrowings would be within the limits specified by the Members under Section 180(1)(c) of the Companies Act. Complete particulars on the subject are provided in the explanatory statement forming part of the notice of this meeting at page numbers 19 and 20.

Agenda Item #11, further issue of shares or specified securities, not exceeding Rs. 1,000 crores as a special resolution. The company focuses on four key parameters: growth, asset quality, liquidity and profitability. The company expects that the market may open up and there is a scope for growth, and the company should be future ready when the growth picks up, opportunity opens up. The expected growth rate necessitates, infusion of fresh capital to build-in adequate cushion in the borrowing capacity of the company for the next three to four years and to keep the leverage ratio at comfortable levels. There is a need to improve the leverage ratio considering the growth potential to be tapped.

Government of India and the Reserve Bank of India have taken several measures to revive the economy in general, and housing sector in particular, including Housing for All initiative by 2022. It is therefore anticipated that there will be a gradual revival and demand for housing, particularly due to the reduction in property prices and reduction in rate of interest. Considering the cost, benefit, requirement of time, etc., with reference to each of the alternative modes of raising funds to improve the leverage ratio of the company, the Board has now recommended to raise funds not exceeding Rs. 1,000 crores through any mix of allotment of shares through QIP mode, preferential shares and rights issue.

Complete particulars of the resolution placed before the members under special business are provided in explanatory statement, annexed to the notice in page numbers 21 and 22 of the AGM notice.

Approvals from members for Agenda #8 to 11 are necessary since the approval given by the members at the 32nd AGM are valid only up to this date. Approvals for all the agenda items are very important for the company to carry out its business smoothly during the current year too. Thank you.

Moderator: Thank you, ma'am. Chairperson will now announce about the discussion on annual accounts.

Bharati Rao: All the resolutions are put to vote through remote e-voting. Hence, in terms of Secretarial Standard VII, there will be no proposing or seconding required for any resolutions at the meeting. And also, there would be no show of hands. All resolutions are required to be voted electronically. The e-voting facility will now be activated for members who are participating in this meeting, and have not already voted through remote e-voting. The voting facility will remain active till 30 minutes after the meeting. We will open the floor for expression of views or any questions on the financial statements for the year ended 31st March 2020, and other resolutions moved at the meeting.

We adhere to some basic guidelines for a smooth question and answer session. The speaker members are requested to mention their names and folio numbers, and the location from where they are joining before raising questions or seeking clarifications. Members are requested to restrict their questions to three minutes so that the other speakers also will get an opportunity to share their views. It may be noted that company reserves the right to limit the number of members asking questions, depending on the availability of time. To avoid repetition, we will respond to all the questions at the end.

I now request the moderator to enable our speaker shareholders one by one. Thank You

Moderator: Thank you so much, ma'am. We will now begin the question and answer session. I will request you all to kindly give me a moment while I bring the speaker shareholders online.

We have the first question from Mr. Ashit Kumar Phatak. Sir, you may go ahead.

Ashit Kumar Pathak: Respected Chairman ma'am, Managing Director, other dignitaries, our company secretary and members present at the 33rd AGM of the Company by Video Conference. I Wanted to attend physical AGM this year. I am a resident at Yelahanka, Monte Carlo, near Railway wheel factory, and attended last year's AGM of Infosys Limited as Speaker. My extreme gratitude to the Company Secretary Mrs. Veena G Kamath and secretarial department for notice of the AGM and the Annual Report financial year 2019-2020 very well in advance. Also, thanks to Chorus Call for nicely contacting speakers for the audio test and to provide a link to attend virtual AGM.

Ma'am, I have small points what I would like to share. Excellent value creation philosophy. Ma'am, it would be better to mention 10-year financial data apart from 3-year financial data with mentioned parameters, and data for comparison. The parameters G&PA, net NPA, ROE, average business per month not being greater than previous financial year, mainly average business per branch drastically came down from Rs. 111.68 crores to Rs. 105.06 crores against previous financial year. As on first quarter financial year 2021, if possible, mention net NPA and gross NPA. And as on first quarter's status of new loan approval and disbursement, our first quarter results declared yesterday.

We have 184 branches and 50 satellite branches as on financial year 2020 mentioned. My question is, all those branches are moving in positive performances, mainly sound disbursement of loans and regular collections. But due to lockdown in the first quarter financial year 2019-2020, and first quarter 2021 mostly operation effected skeleton of staff, WFH concept, also if any branch gets COVID-19.

Ma'am, our profile 71% is in service sectors and remaining 29% in other sectors, and household disbursement 90% and average 10% as financial year 2020. My question is, at present scenario due to pandemic, customer sentiment impacted low in demand, less of GDP, job losses, professionals may be impacted due to pandemic. With all these factors, how are management teams optimistic in remaining three quarters of 2020? Dismemberment of mainly home loan and sound collections sound revenue and profit. My suggestion, in our development loan against property, one non-house loan is very small size, Rs. 1,918.56 crores. It may be increased where gold loan is very sound market, and also top-up loan, loan against house building repair. And also, micro loan with small ticket size, I like in West Bengal Can Fin Homes has no branch at all, but a big market in house loan in small ticket size at rural sectors mainly North Bengal and by the Amphan disasters in small ticket size of loan.

Ma'am, maybe this document with this link of Pradhan Mantri Aawas Yojna, but city based microfinance registered office of West Bengal is getting good response with this small ticket size of house loan in rural sectors. West Bengal taking stake of Guru Finance from HDFC, and HDFC also no stake in that microfinance. I think our concern can take the management from HDFC Limited by any means, they can state that HDFC who is number one in house finance, people are rating, and sound business and if possible to set up deposit taking hub at West Bengal for small deposit of parking money in big amount. And this zone is the most deposit of parking zone I think so far.

And at present, our MCLR and house loan and present RBI repo is 4%. If further repo is reduced, any impact in our future acquisitions? There are many banks giving home loans linked with repo rate. Page 152 finance cost is higher than previous year, excellent CSR activities. Ma'am are we tied with Bangalore based reality sectors like Purvankara, Prestige, Reality and Brigade? And other cities real estate sectors I have not so knowledge and any suggestion for Canara Bank in future any plan to raise its stake from 29.99% to 50%? Is there any

restriction from RBI or from other regulators? Because I think Can Fin Homes has a strong potential management team and strong potential service in house loan. So can the bank infuse liquidity support to Can Fin Homes with low cost deposits?

Page 180 where various litigation are pending, may be shortlist them if possible. And market price data mentions no volume mentioned in market price data. At present market, capitalization and net debt as on first quarter. It was also very urgent to reward the members with bonus share. Excellent financial year performance, no doubt we are getting 100% dividend. And my last question is, borrowing cost is 8.07%, comparatively 6.92% from National Housing Bank. Sir, in this financial year RBI injects long-term amount to support liquidity and our concern may be benefited.

I support all your 11 resolutions agenda. And God bless everybody with sound health and mind. Thank you, ma'am.

Moderator: Thank you so much, sir. Thank you. We have the next question from Mr. Santosh Kumar Saraf. Mr. Saraf, you may go ahead.

Santosh Kumar Saraf: (inaudible)

Moderator: Sir, this is the operator, sorry to interrupt. While we are checking the connection for Mr. Santosh Kumar Saraf, we move on to the next question. We have the next question from K Sadanand Shastri. You may go ahead.

K. Sadanand Shastri: Very good morning. I am Sadanand Shastri from Bangalore. My number is 11702201. I failed to understand as to whom I have to address, whether to mister or madam. Anyway, I will address to the company. First of all, the first and foremost thing is, this video conference is fit for nothing. It has become a just frivolous arrangement in the banks. Neither can we convey you, nor you can reach us, physical meeting is the only solution.

I have hardly very few questions. Our overall performance among all other subsidiary and various associates of Canara Bank, your parent back, Can Fin Home performance is very good. Thank you very much for that. I will pray if I don't recognize and appreciate the affectionate service of your Company Secretary Madam Veena, thank you madam.

Third. There is a rumor, and maybe the fact to stop hosting calls for time being. Some banks are thinking in the same way. What is your strategy to face this crisis? But I have heard that the threat of real estate company Prestige Real Estate.

Fourth. You are banking with Lakshmi Vilas Bank and Corporation Bank. Lakshmi Vilas Bank is sick and Corporation Bank is taken over by Union Bank of India. Both are not favorable to you. And Corporation, as your Karnataka friend earlier mentioned, I think there may not be so much of cooperation and coordination to this Can Fin Home here afterwards. How would you manage it?

Sir, in page number five, number of branches are just too short to the reach the double century, that company can succeed it. The rest of the items are all positive. That is, there is no matter. The financial results on page #38. Impairment of financial assets are abnormally high, how do you control and arrest it? With this profit is not affected, but had it been controlled this financial impairment, the profit would be shot up.

Page #111, Tirupati. Sir, unclaimed dividend, I myself have become a victim in this item for a petty amount, but that Company Secretary can solve it, I will take it with her. Your equity is Rs. 26 cross but unclaimed the dividend is Rs. 26 lakhs. You have to minimize it, sir, because it is the property of the poor shareholders. How do you solve it?

Sir, Page #122, plant and property. Abnormal increase is there in purchasing properties, which leads to blockage of funds. What form fits the company to have huge properties and assets?

Page #123, finance cost is much more than the expectation. Instead of comparing, can resort to public deposits, which would be very easy and accessible. Why not the company undertakes this one?

These are my questions. Thank you very much. Please see next year in NIMHANS conference hall. thank you very much.

Moderator: Thank you so much, sir. We have the next question from Mr. Abhishek J. Mr. Abhishek, you may go ahead.

Abhishek J: My name is Abhishek. Shareholder of Can Fin, my DP ID Client ID is IN30039418945276. First of all, I congratulate the management on the eve of annual general body meeting. The company has given us very good return in the stock market as far as the yield is concerned, we are glad to be the shareholders of Can Fin Homes in this challenging situation. Our company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability and dividend history. You are one of the strongest brands in our respective segment.

We are long-term shareholders, since the IPO we are the shareholders and the entire family is the shareholders of the company, we will follow Can Fin Homes in detail. What's the real impact of COVID-19 in percentage terms and all over changes where you see the light at the end of the tunnel and what will be the figures in the first half and second half? Sir, Coronavirus and subsequent lockdowns, have left everybody in lurch after the COVID, so how many employees we have sacked? How was salary impact in percentage, if any? And what do any cost cutting initiative is being done by the management? And Salary cut from the management I would like to know.

And what is the view of the management going forward, sustainability of the profit? Unclaimed dividend challenge in coming quarters, what are the management efforts towards working capital change, ROCE, EBITDA and interest cost? And I would also like to know were there any efforts being put up by the management to improve investor

relation exercise like concall with global investors. And also I would like to know, what are the efforts taken by the management to reduce the other expenses, legal processes and Others? And what are the credentials that the new and the existing directors are bringing on table compared to the total growth and provide the clarifications.

Sir, and I would also like to know, what is the policy related to the company because as more senior citizens are fully dependent on them, legal firm in the name and style of 7 Wells Associates in Chennai, so we will be glad to extend our services to Can Fin Homes. So will it be able for us to provide our services? And you may kindly put me to the right person so that we can get in touch with them. And we maybe added in the empanelment of the Can Fin Home growth, and we will be glad to extend our services and we will abide by the terms and conditions laid by the group.

I wish the company, the Board of Directors a great success and prosperity in the coming future. Thank you very much.

Moderator: Thank you so much, sir. We have the last question from Mr. Santosh Kumar Saraf. Mr. Sarah, you may go ahead.

Santosh Kumar Saraf: Okay. Respected chairman and board member, and my fellow shareholders. My name is Santosh Kumar Saraf, I am from Kolkata. Thanks to the Board for all round performance in the tough time of the year, last year for housing sector. And also thanks to the Board to announce a dividend of Rs. 2 as last year. Sir, this year income increased by 26.4 percentage and also you achieved the milestone of Rs. 20,000 crores; for this, I thank the management. Sir, I thank to the management for increase in (Inaudible) by 46 to 338 as on 31/03/2020.

Madam, what steps you have taken to tackle COVID-19 effect on our company's profit? Madam, how many employees are working from home? Madam, net NPA increasing by year-by-year from last year, like before last year that was nil, but now gross NPA was 0.76% and

net NPA was 0.53%, it is a very grave matter of concern. Madam, please take the step to further not increase NPA and remain as last year, the dividend payout is very low, only 7.11% of the profit. How will we be this year I understand to conserve the money you announced less dividend. For this I thank the management to conserve the money because of the COVID situation remains, I hope till the financial year 2019 for this (Inaudible).

Madam, one thing I want to know. You in the balance sheet written proposed dividend, so madam, how is proposed dividend? If proposed dividend, then how DDT is Rs. 5.47 crores. If proposed and there is no DDT this year, would you make a provision of Rs. 5.47 crores, so what is the reason, please explain madam. I hope when you made the provision of Rs. 5.47 crores this you will save, so I hope for you to please announce the interim dividend, because this year dividend is taxed in our hands, and promotor holding is 29.9%, a bit for the promoter is under 50%, it's very concern because our company performed very well in this quarter while profit has increased, and today the market price also closed the Rs. 400 per share due to our good results. So, I hope we will maintain this very good business.

One thing I require sir. Madam, as per Companies Act you have to mention DIN number and you have to mention ICSI registration number everywhere, your name as well of reporting person or as a signatory person, When you send the balance sheet, annual report to us, otherwise it is not authentic. Next, madam, CSR amount remaining unspent continuous from last so many years, this year unspent amount by 3.17 Crore. So this attitude has to change, madam. It is better for us to complete, because every year we have unspent amount because I see in 2019 it appeared that there was a Rs. 4.56 crores earnings, last year it was (Inaudible).

Next, the total employees in our company is 838, Women employees is 167 so how did it come to 25.61% of the total employees? It is based on 20% madam. If you add contractual employees in this and

then you calculate the percentage it may be, then how many female temporary employees you have?

How many shareholders in this (Inaudible) I am a Hindi speaking people, sir, to tell in English I have some problem, so please wait for me.

How many shareholders today attended the video conference meeting? And please share me the number of shareholders who have still in the physical form holding, number of shareholders and number of shares. I thank the management for giving me opportunity as last person. Last year physical meeting was held where I attended the meeting, so what is the total expenses of that physical meeting, including Annual Report printing, printing of notice, and everything also include travel of the director who come for attending the meeting.

And what is the estimate expenses for this video conference meeting? I want to know this, because though this is first time video conference meeting, it is safe to feel that video conference meeting is better than physical meeting, because I am from Kolkata, one is from Chennai, those also get a chance to attend the meeting, otherwise only Bangalore people get a chance for the meeting. This physical meeting you must oblige to 15 minutes video conference meeting, because video conference is now success so it can be possible for us to attend the meeting.

Thank you madam for giving me time. Jai Hind, Jai Bharat. And I wish good health for all of you, and especially for the employees working in marketing. And I hope that this pandemic subsides soon so that next year we can meet physically for the meeting. Jai Hind, Jai Bharat, Namaskar to all.

Moderator:

Thank you so much, sir. As this is the last question, I hand it over back to the Chairman.

Bharati Rao: Thank you for all the questions. We will now begin to answer the questions.

We first respond to the questions that were raised in the chat box. And then we will reply to the specific questions raised by the speaker shareholders. We have received some questions in the chat box on some common topics which we will respond first. I request Mr. Girish to respond.

Girish Kousgi: I will start with the query of Mr. Ashit Kumar Pathak. Thank you, sir, for your compliments and your queries. We will explore whether we can provide more data on key parameters in the Annual Report. A specific query on business per branch. What happened was, beginning of last year we hired manpower so that we are ready to take on growth if market is conducive, because we thought that since last two years we had very tough market condition, and it was slightly easing out. Though there were liquidity challenges, your company has very well managed this and we thought we should build and be ready for future. And therefore, we had increased the manpower; and therefore, you will see in the productivity, in the branches there is a slight dip. Going forward, I think new employees whom we have hired will ensure that the productivity will go up.

In terms of COVID, we have taken all the precautions as announced by MCA from time to time and the respective state governments. In terms of working from home, when the lockdown started nationwide from March 24th till about April 19th, the entire team worked from home and they were working constantly to keep in touch with all the customers in terms of handling moratorium, trying to bring awareness with the customers, and we were also trying to manage certain things which you can do from home. So there has been no real impact in terms of working from home. Only thing is, in terms of business, as there was no business till about last week of May, last week of May is when we started business, we picked up very well. Considering the market is still trying to slowly come back, whatever opportunity was

available you try to do business in May and June, you would have seen the results which we declared yesterday.

In terms of job loss in Can Fin, none of the employees have lost job because of COVID. So, we have taken care of well-being of all the employees. And in terms of certain questions are common, so I will be addressing them at once.

There was a question of why physical meeting was not held this year. In the interest of all the shareholders and employees and directors we thought it is better that we will have a virtual AGM instead of having a physical. If everything goes well, maybe next year we would have physical AGM. In terms of profile mix, home loan is definitely safe when compared to non-home loans, our mix today is about 90% home loan, 5% top-up and 5% is a loan against property. Top-up is similar in terms of characteristics, it is similar to home loan, and therefore the risk is not really different from what it is for home loan. So, the 95% is home, including 5% top-up 5% is LAP.

There was also a question as to why we are not increasing non home loan portion which is predominantly LAP. Considering last two years, especially after one financial institution and one HFC which were into deep trouble, the entire market reacted and there were a lot of challenges in terms of liquidity and also flow of credit, your company was able to manage these two very well and therefore your company thought it is wise as of now to grow the home loan book vis-à-vis compared to non home loan. So this ratio would by and large be the same. Wherever there is opportunity, we will try and increase.

In terms of opening branches in eastern part of the country, depending on our yearly plan for opening branches we will definitely keep in mind to try and spread our branches geographically across the country.

In terms of interest rates, last two years we have seen that the interest rates are dropping. Even the past there were banks, both private sector and public sector, and large HFCs amongst the NBFC space

where we had competition. This would continue even for next four to five decades. We have managed well in last three decades, we will continue to do that. This won't drastically impact in terms of our margins going forward as well. So drop in interest rates or the competition would not really impact much in terms of our share in business, depending on the market situation. As of now, demand in the market is quite low. Where as and when demand picks up, we will be geared to retain the market share and rather increase depending on the situation.

In terms of big builder tie-ups, we are into niche segment, our focus is mainly on affordable, our ticket size is Rs. 18 lakhs, we would want to keep our ticket size around that level. Because we basically focused on Tier 2 and Tier 3 kind of cities, and therefore, having a tie-up with big builders, we may do it selectively where we will be able to source and acquire customers, but not necessarily because it is not part of our overall strategy considering the pricing at which we offer loans to customers. We will keep this in mind, where ever there is opportunity we will definitely try and do that.

There were questions on bonus and dividend. All of you are aware what we have been going through as an industry since last two years and now because of COVID this will continue for another at least three to four quarters. This is my own guess. So in this tough situation, it is always better to try to build up reserves. This is your company, so whatever reserves we build up, will definitely reflect in some way or the other in the price. And therefore, we thought we should be future-ready and conserve cash. And therefore, we have taken this decision. We will take a call in future at the appropriate time.

Addressing to queries of Mr. Santosh Kumar Saraf. Thank you sir, for your compliments. I will skip the common queries. With respect to how many employees are working from home during COVID, for some time it was entire 100%. And from April 20th onwards, we had few branches because that was when NBFCs, which is also HFC were

allowed to open offices. So we opened office depending on the state laws. We have taken your suggestion, we will explore whether we need to mention DIN number across our Annual Report. In terms of CSR amount, we will explore, we will ensure that we would not have too much of unspent amount year-on-year going forward.

There was a query on number of shareholders who have logged in. So we have about 2,395 shareholders who have logged in through this video conference. Sorry, so there was a query on physical shareholders, we have over 1.59% of the total shares outstanding, and number is 2,395.

Now moving on to the next shareholder, Mr. K Sadanand Shastri. Yes sir, your point is well taken. This time we had to arrange AGM through video conferencing, considering the pandemic. Going forward, we have been conducting on physical mode in the past; this time it was only because of pandemic. Going forward, if everything goes well, we would again revert back to physical mode.

I have already addressed in terms of strategy to do business, we have been very, very clearly focused on four pillars of your company, that is liquidity, asset quality, growth and profitability. We will be very, very watchful, very closely watching the market. As and when market slightly opens up we will try and get back business. Demand is back, we are slowly trying to do business, so there would be small dent because of COVID for next couple of quarters. There is high focus on keeping the asset quality and maintaining liquidity.

Growth is coming back and probably next two to three quarters I think we will be able to do that. If you compare last year in terms of disbursements, this year we will get close to that. Someone asked a question about the outlook, how do you manage business this year? We will be very close to that. In terms of outstandings, last year was Rs. 20,706 crores, this year we would make an attempt to reach about Rs. 23,000 crores.

There were a couple of banks which someone mentioned, how do we deal? We have a team which very closely monitors our banking relationship with all the banks, so we would take appropriate action at the appropriate time, depending on what suits the company.

In terms of number of branches, we had a plan of reaching 200 branches by March. Because of COVID, we were not able to reach that number, even though we were ready in terms of opening the branch, because of this pandemic we couldn't really open. We did a soft launch later on, but because of that the number is a little less than 200.

In terms of unclaimed dividend, we are making all the efforts to find shareholders through various means. We are using alternate data to try and trace our shareholders, because it is shareholders money and we want to reach out that money to our shareholders. We have also engaged a couple of experts to try and trace the shareholders. There is an alternate data, so we are making all possible efforts, hopefully in next few months or so we would be able to bring down this portion drastically.

Addressing query of Mr. Abishek, impact of COVID as I mentioned. Impact of COVID definitely will be there in terms of business as we are all seeing that now. In terms of key parameters, there will be slight impact, but I don't think so we are in a better position to manage this pandemic. Whatever would be the industry growth rate, your company would be able to manage a little over the industry growth rate. And today, our asset quality is the best in the industry. Yes, there has been an increase in the NPAs. Your company is also growing and doing extremely well. And today, if you look at our NPA levels, it is one of the lowest in the industry. We will strive to ensure that we maintain asset quality, and also if possible, try and bring down from the current level.

In terms of there was a query on impairment, largely that is because of COVID. We have provided as per the requirement of RBI dated April

17th circular, which is why you will see that the amount what we have provided is on the higher side. We wanted your company to be well positioned in future to absorb any shocks, if any, and be future-ready to take on opportunity of growing business. That's the reason why you see that the provisioning number is high, it was a conscious decision and therefore we have taken that call.

There was also a query on plant and property, there is an increase which is a little more than what was expected. This is as per IndAS. The right-to-use asset is to be created for higher premises for offers, hence it is increased.

I hope I have covered all the shareholders' queries. Thank you very much.

Moderator: Over to the Chairperson for her closing note.

Girish Kousgi: There were no queries in the chat box, and therefore I think we have come to end of addressing queries session as such.

Bharati Rao: Okay. So now I think Mr. Girish has been able to answer all the questions that we received. If you have any other queries, you can always send it and we will email the response to you. I now our request Managing Director to declare the results of the e-voting.

Bharati Rao: On the items of the business, as per the notice of the 33rd Annual General Meeting have been duly discussed. I now declare the proceedings of the AGM as completed. As mentioned earlier, the e-voting facility will continue to be available for 30 minutes after the meeting. Mr S. Kedarnath, Scrutinizer, will provided the report within the prescribed period, and I hereby authorize the Managing Director to declare the results of the voting, and place the results on the website of the company.

The resolutions as set forth in the notice shall be deemed to be passed today, subject to receipt of requisite number of votes. On behalf of the



*Can Fin Homes Limited
August 26, 2020*

Board of Directors and management of Can Fin Homes Limited, I convey our sincere thanks to all the members for participating in this meeting. Please stay healthy and stay safe and take care. Thank you very much. Have a good day.