



CAN FIN HOMES LTD,
Bengaluru
33RD ANNUAL GENERAL MEETING
[Address by Chairperson, Smt Bharati Rao](#)

Dear Shareholders,

I warmly welcome each one of you, on behalf of the Board of Directors, to the 33rd Annual General Meeting being held virtually today.

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, specially towards the end of March when we came face to face with the unforeseen challenges imposed by the Corona virus 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 effected necessary preparations for our very first virtual Annual General Meeting (AGM) in order to share our journey through FY19-20, with you.

Economic Outlook

India's GDP softened to 4.2% in FY20 owing to multiple macroeconomic 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 and 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 favourable 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 World Bank's Ease of Doing Business report 2019. It became the 5th largest economy in the world, in terms of GDP growth during FY20.

Towards the end of the last fiscal, the country as well as the world witnessed one of the harshest periods in 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 the 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.

Indian Housing Finance Industry

Over the years, the Indian housing sector has undergone massive transformation as demand and supply have evolved as per 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 Awas Yojana have been designed to provide shelter to the economically weaker sections of society as well as to the middle income group (MIG). With a sharp focus on affordability and housing shortage in urban areas, the initiative aims to benefit first-time home buyers.

Budget 2020 has also made provisions for relaxations in the realm of affordable housing, for home buyers and developers alike. The Union government extended the benefit of additional deductions of up to Rs.1.50 lakh for interest paid on loans for affordable houses, till March 31, 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 shortage to a great extent.

Operational Highlights

During FY20, 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 9 new branches during FY 2019-20 and the tally stood at 184 branches and 14 satellite offices as on March 31, 2020.

Our endeavours delivered 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 crore on March 31, 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 crore and disbursements of Rs.5,481 crore. 90% of the Loan Book pertained to Housing, while 5% accounted for Top-up loans and Loans Against Property (LAP) amounted to 5%.

Your company recorded a profit after tax (PAT) of Rs.376.12 crore in FY20, 26.75% higher than the last fiscal. Additionally, our ROAA stood at 1.93% and we recorded 17.44% Return on Equity (ROE). 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 crore to the cause of Education, female literacy, health-care, nutrition, women's empowerment, ecological conservation and aid for natural disasters. Your Company contributed Rs.1.50 crore to the Prime Minister's 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 segment.

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 co-operation.

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.

Warm Regards,

Bengaluru
August 26, 2020

Smt. Bharati Rao
Chairperson