



Transcript of 34th Annual General Meeting of Can Fin Homes Limited”
8th September 2021, Wednesday, 11:00 a.m.

Directors and Key Managerial Personnel:

Mr. Lingam Venkata Prabhakar – Chairman and Promoter Director

Mr. Girish Kousgi – Managing Director and CEO

Mr. Amitabh Chatterjee – Deputy Managing Director

Mr. G Naganathan – Independent Director

Dr. Yeluri Vijayanand – Independent Director

Mr. Satish Kumar Kalra – Independent Director

Mr. Ajai Kumar - Independent Director

Moderator:

Dear Shareholders, good morning and warm welcome to you all to the 34th Annual General Meeting of Can Fin Homes Limited through video conferencing.

For a smooth conduct of the Meeting, members will be in mute mode and audio and video will be enabled when they will 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 will be made available on the website of the Company.

Over to Mrs. Veena G Kamath, Company Secretary of Can Fin Homes Limited. Thank you. And over to you ma’am.

Veena Kamath:

Good morning, ladies and gentlemen.

I welcome all the members, our Chairman, Managing Director, Deputy Managing Director and all the members of our Board of Directors, Partners from Varma & Varma, Statutory Auditors of the Company, Scrutinizer, our Secretarial Auditor, our Tax Consultants, Special Invitees and the Key Managerial Personnel to this 34th Annual General Meeting of the Company on this 8th day of September 2021, Wednesday.

Our Chairman, Shri. Lingam Venkata Prabhakar, is the Managing Director and CEO of Canara Bank. He is a Non-Executive Promoter Director on the Board of our Company. He's the Chairman of Corporate Social Responsibility Committee. Our Chairman is participating in this Meeting from the Boardroom of the Company, Shri. L. V. Prabhakar to preside over the Meeting.

L. V. Prabhakar: Dear Shareholders, I welcome you all to this Meeting. I hope all of you are safe and keeping well. This 34th Annual General Meeting of Can Fin Homes Limited is being held through video conferencing in accordance with the Circulars and Guidance issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Let me introduce the Members of the Board of your Company, participating in this Meeting.

Shri. Girish, he is the Managing Director and CEO of the Company. He is the Chairman of Management Committee and a Member of the Shareholder's Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and IT Strategy Committee. He is joining this Meeting from the Boardroom of the Company.

Shri. Amitabh Chatterjee, he is the 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 is also joining from the Boardroom of the Company.

Shri. G. Naganathan, is a Practicing Chartered Accountant. He's an Independent Director. He is the Chairman 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 and HR Committee. He is participating from Chennai.

Dr. Y. Vijayanand, Former Deputy Managing Director of SBI and Former Managing Director of State Bank of Mysore, he is an Independent Director. He is the Chairman of the Nomination Remuneration and HR Committee and Stakeholders Relationship Committee, and he is the member of the Audit Committee. His tenure will come to an end on the conclusion of this Annual General Meeting. On behalf of your Company and its Board, I thank Dr. Vijayanand for all his guidance and support. He is participating from Hyderabad.

Shri. Satish Kumar Kalra, the Former Full-time Director of Andhra Bank, he is an Independent Director. He is a member of Nomination Remuneration and HR Committee. He is joining from Gurgaon.

Shri. Ajai Kumar, the Former Managing Director and CEO of Corporation Bank, the proposal relating to his appointment as an Independent Director is placed before the members. He is joining from Mumbai.

Shri. Debashish Mukherjee, is the Executive Director of Canara Bank. He is the Chairman of the Risk Management Company, member of the Audit Committee and Nomination Remuneration and HR Committee. He could not join today due to medical emergency at home.

Smt. Shubhalakshmi Panse, Former Chairperson and Managing Director of Allahabad Bank, is an Independent Director. She is a member of the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee and Management Committee. Madam could not join today due to medical emergency at home.

I am happy to welcome you all once again on behalf of the Board of Directors to this 34th Annual General Meeting of your Company on video conferencing. It is 11:00 AM and I have been informed that the quorum is present, and I call the Meeting to order.

Participation of members through video conferencing is reckoned for the purpose of quorum as per the Section 103 of the Companies Act 2013 and the Circulars issued by MCA.

The Register of Directors and Key Managerial Personnel, the Register of Contracts and arrangements has been made available electronically on the eVoting platform arranged by NSDL for inspections by the members during the AGM. I request Ms. Veena, Company Secretary to provide general instructions to the members.

Veena Kamath: Thank you sir. Dear Members, this Meeting is being held through video conferencing as already mentioned by the Chairman, in accordance with the circulars issued by the Ministry of Corporate Affairs, applicable provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has enabled the members to participate in the 34th AGM 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 with the facility to exercise their right-to-vote by electronic means, both through remote eVoting and eVoting during the AGM. Since the AGM is being held in accordance with the 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 13th of August 2021.

We had received requests from 10 members for physical copies of the Annual Reports and we have dispatched the same. Members may note that the Notice and Annual Report 2020-2021 are also made available on the company's website, on the websites of NSE and BSE, copy of the Notice is also made available on the website of NSDL. Remote e-

Voting facility was made available for all the 10 agenda items during the period commencing from 4th September 2021, Saturday 9 AM; till 7th September 2021, Tuesday, 5 PM. All the members who are holding shares as on 2nd September 2021 the cutoff date, 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 eVoting facility, may vote through eVoting facility provided on the NSDL portal. The members who have already cast their vote by remote eVoting prior to the AGM shall not be entitled to cast their vote again. The Board of Directors has appointed Shri. S. Kedarnath as the Scrutinizer for this meeting. Based on the report of the Scrutinizer, the combined results of remote eVoting and eVoting 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 request from 10 members, Shri. Manjeet Singh, Shri. Babu George, Shri. M. Sadanand Shashtri, Smt. Celestine Elizabeth Mascarenhas, Shri. Santosh Kumar Saraf, Shri. Ramesh Shankar Gola, Shri. Ashit Kumar Pathak, Shri. Sharadkumar Jivraj Shah, and Shri. Kankanala Bharat Raj and Shri. Ashok Chakravarty to register them as speakers at the meeting. Accordingly, the Moderator will facilitate the speakers one-by-one to express their views when the Chairman opens the floor for questions and answers.

Members can post their views or questions in the chat box on their video conference screen before 10:30 AM. 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 now request the Chairman to continue with the proceedings of the meeting.

L. V. Prabhakar: 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: Thank you very much. The Chairman will now present his statement.

L. V. Prabhakar: Dear Shareholders, as we welcome another fiscal, we remain focused on promoting our prime objective of making home ownership a reality for millions of Indians. When the last year was particularly challenging for people all over the world, our excellent approach enabled us to tide through the crisis. Over the years, we have earned the trust of people as a reliable and resourceful organization that is committed to promote home ownership in this country. We have played an instrumental role in fulfilling the dreams of an affordable home that lends a sense of security and provides the freedom to lead a dignified life.

As we complete 34 years in the industry, we are determined to contribute to nation building through our concerned efforts to provide a roof over every head. Along the way, we have established our credibility as a dependable lender and continue to expand our retail lending portfolios across the country.

The year 2020 was a bit challenging. We are living in an era of extraordinary challenge and the unprecedented events of 2020 tested the internal strength of the institutions world over. Despite difficulties, your Company demonstrated flexibility to adapt to the challenging circumstances, which are reflected in our performance during the year. The GDP of Indian economy contracted by 7.3% during the fiscal 2020-2021 due to the COVID-19 pandemic. During the year, the industry, service sector output of the Indian economy witnessed a steep decline due to massive disruptions in the global supply chain following that countrywide lockdowns. Agriculture and Pharma sector witnessed growth during this period. Nevertheless, the GDP growth reverts in the latter half of the fiscal, mainly driven by the pent-up demand.

The expansionary policy adopted by the Government of India and the Reserve Bank of India to infuse liquidity lowered the cost of borrowing and stimulate demand in the economy helped cushion the effects of the crisis. Some of the notable policy interventions include Moratorium on Loans, Extended Emergency Credit Line Guarantee Scheme and emphasis on Atmanirbhar Bharat. A significant corpus was also allotted for Pradhan Mantri Awas Yojana Urban, and the Affordable Housing Rental Complexes to stimulate growth in the housing sector.

The Indian housing sector is witnessing continuous transformation since the turn of the century. A slew of systemic, structural reforms and policy changes lead to the elimination of a weaker placed consolidation of the sector and entry of large corporate houses. The industry is now much more organized, demonstrates accountability and transparency in its dealings. Increasing population, rapid urbanization, migration to urban areas and greater purchasing power have contributed to the demand for affordable housing in India.

The Affordable Housing Rental Complexes have also been designed to accomplish the objective of Housing for all, taking into consideration the needs of the urban poor, and the aim to provide means for dignified living to a large section of the Indian population. The demand for housing in urban areas also increased due to the growing norm of working-from-home after the pandemic. This was aided by the availability of cheaper home loans facilitated by the RBI during the year to infuse liquidity in the system. The budget for Financial Year 2022 further supported the housing sector through the extension of the Affordable Housing Scheme, additional income tax reductions, announcement of tax holidays for developers and reduction of customs duty on steel and iron. These are anticipated to provide influence first time homebuyers and people from low and medium income households to purchase new property.

The Government's attempt to boost infrastructure in the country will also help to create jobs over the next few years, which in turn is likely to foster the demand for the affordable houses. The cumulative effect

of these factors is expected to act as an impetus for the affordable housing sector, improve supply and reduce housing shortage to a greater extent.

During the period under review, your Company focused on maintaining asset quality and stability. People from middle and low income categories continued to be our primary lending segment as we focus on offering affordable housing loans to individuals.

Can Fin has successfully established a PAN India presence with 165 Branches, 21 AHLCs and 14 Satellite offices across 21 States and Union Territories in India. Despite operational challenges in the year gone by, your Company registered a remarkable performance. Your Company's loan book reached about Rs.22,105 crore in Financial Year 21 increasing by 7% while YoY. The new approvals for loans stood at Rs.4631 crores and we registered disbursements of Rs.4332 crore during the period under review. While 90% of our loan book pertains to housing loans; salaried people and professionals accounted for 73% of the loan book as on 31st March, 2021. Top-up loans documents accounted for 4% and the LAP covered 6% of our Non-Housing Loan in Financial Year 21.

Your Company recorded a 21.25% increase in Profit After Tax at Rs.456.06 crore during the fiscal 2020-2021 in comparison to Rs.376.12 crore in the previous fiscal. The return on average assets stood at 2.18% by the end of the fiscal with the return on equity at 17.47% in the same period.

The moratorium on housing loans had been extended to all borrowers who have sought this benefit. Your Company is also determined to consistently improve collections and safeguard its reputation as one of the best HFCs in terms of asset quality.

Can Fin is committed to fulfill its responsibility towards the society and continues to participate in activities that make a difference and improve the lives. Your Company also contributed Rs.4 crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations

Fund and Rs.1 crore to Karnataka State Disaster Management Authority COVID-19 during the fiscal 2020-2021.

The residential sector is showing marked signs of improvement. The enhanced role of Reserve Bank of India in the housing sector provided better regulated environment for homegrown buyers. The policy rates held by the Central Bank have kept low for the purpose of economic recovery, which helped increase consumption and growth. As a result, mortgage rates are low, while prices are stagnant. These twin factors make it an appropriate time to acquire a home under the ambient of RERA, only credible developers capable of timely execution of quality products, will be able to subsist in the period ahead.

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 for both salaried and self-employed individuals with an aim to further expand our portfolio of offerings.

At the end of another successful year, I would like to express my gratitude towards the Members of the Board, the Regulators, National Housing bank and Reserve Bank of India, Canara Bank and the Auditors Varma & Varma for their guidance, support and cooperation. I would also like to appreciate our Shareholders, Customers and Employees for the faith and trust bestowed in our abilities. Together, we are prepared to scale new peaks of success in the days ahead. Thank you.

Moderator: Thank you very much. The Chairman will now announce about the AGM Notice and Auditor's Reports.

L. V. Prabhakar: As already mentioned by the Company Secretary all the relevant documents like AGM Notice, Annual Report including financials, necessary eVoting and VC related instructions etc. 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 31st July, 2021 relating to the 34th Annual General Meeting of the Company as read.

Now I request the Company Secretary to present the Auditor's Report for the Financial Year 2020-2021.

Veena Kamath: Dear Members, M/s. Varma & Varma Statutory Auditors, have given their unqualified Auditor's Report for the Financial Year ended 31st March, 2021. 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 #125 to #133 of the Annual Report.

Shri. 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 2020-2021. The report submitted by the auditor is placed as Annexure 1 to the Report of Directors at Page #58 to #63. There are no qualifications, observations or other remarks made by the auditor. Hence, the Auditor's Reports are being taken as read. Thank You.

Moderator: Thank you very much. Chairman will take up the resolutions as set forth in the Notice.

L. V. Prabhakar: We now take up resolutions set forth in the Notice of the 34th Annual General Meeting. I request the Company Secretary to take us through the business that are to be considered at the Meeting.

Veena Kamath: The following items of ordinary business are 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 on 31st March, 2021 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 there on. 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 31st, 2021. The Board has recommended a 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 financial markets, the resultants impact on the company and the dividend distribution policy etc.

Agenda Item #3, To reappoint Shri. Debashish Mukherjee, Director, who retires by rotation at this AGM and being eligible offers himself for reappointment.

Agenda Item #4, To appoint two audit firms namely, M/s B. Srinavasa Rao & Co. Chartered Accountant and M/s BK Ramadhyani & Co. LLP as Statutory Central Auditors in terms of the RBI Guidelines dated 27th April, 2021 for a tenure of three years on such remuneration as may be determined by the Board of Directors of the Company and to authorize the Board of Directors to appoint branch auditors. These particulars of all, and all information as required in the SEBI listing regulations in respect of the proposed audit firm and LLP are provided in the explanatory statement forming part of the Notice at Page #16 to #18.

The following items of special business are to be considered and the related resolutions are already provided in the Notice.

Agenda Item #5, Appointment of Shri. Amitabh Chatterjee as a Director and Whole-time Director as an ordinary resolution.

Agenda #6, Appointment of Shri. Ajai Kumar as an Independent Director as an ordinary resolution.

Brief profile and complete particulars relating to Shri. Debashish Mukherjee, Shri. Amitabh Chatterjee, and Shri. Ajai Kumar, including the terms and conditions of appointment or reappointment, are provided in the explanatory statement at Page #15 to #23 of the Notice. Agenda #5 and #6 require approval from the member, as the additional directors hold office only up to the date of the Annual General Meeting in terms of Section 161 of the Companies Act 2013.

Agenda Item #7 Acceptance of deposits from public as an ordinary resolution. The prior consent of the members is requested in terms of Section 73(2) of the Companies Act 2013 to accept deposits from public to the extent not exceeding three 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 borrowing and future borrowings would be within the limits specified by the Members under Section 180(1)(c) of the Companies Act 2013. The details relating to the subject are provided in Page #23 of the Notice of this Meeting.

The NOF of the Company as on March 31st, 2021 is Rs.2583.18 crore and the outstanding deposits as on the said date was up Rs.442.47 crores. The consent so obtained shall be effective and valid until altered, modified, or decided in future.

Agenda Item #8 To borrow amounts not exceeding Rs.30,000 crores as a special resolution. The total borrowings of the Company as on March 31st, 2021, was Rs.19293 crores. As per the regulatory Master Direction, the maximum amount that the Company can borrow shall not exceed 12 times of the net owned funds as per the last audited balance sheet for the Financial Year ending on March 31st, 2022. As on March 31st, 2021, the NOF was Rs. 2583 crore and hence our borrowing limit shall not exceed Rs.30996 crore at the end of the year 2021-2022. The authorization to borrow to an extent up to Rs.30,000 crores sought by the Company if approved will be valid till the outstanding borrowings of the Company reaches the limit. The details relating to the subject are provided in Page #23 and #24 of the Notice of this Meeting.

Agenda Item #9 Offer or invitation for subscription of Non-Convertible Debentures or bonds secured or unsecured of any nature up to an amount not exceeding Rs.4000 crores on private placement as a special resolution. Keeping in view the expected increase in business of the Company alternative sources of funds, 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 NCDs or Tier II bond up to an amount of Rs.4000 crore in one or more tranches, on private placement basis for a period of one year from the conclusion of this Meeting until the conclusion of the next AGM. 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 2013. Complete particulars on the subject are provided in the explanatory statement forming part of the Notice of this Meeting at Page # 24 and #25.

Agenda Item #10, Further issue of shares not exceeding Rs.1000 crore as a special resolution. The Company also focuses on four key parameters namely, 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 or opportunity opens up. The expected growth rate necessitates infusion of fresh capital to build an 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 demand for housing particularly due to reduction in property prices and reduction in rate of interest. Considering the cost benefits, requirement of time etc. with reference to each of the alternative modes of raising funds, the board has

recommended to raise funds not exceeding Rs. 1000 crores through allotment of shares through QIP mode.

Complete particulars of the resolutions placed before the members under the special business are provided in the explanatory statements, annexed to the Notice from Page #25 and #26 of the AGM Notice.

Approvals from members for Agenda #7 to #10 are necessary since the approvals given by the members at the 33rd Annual General Meeting are valid only up to this day. 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 very much. Chairman will now announce about discussion on annual accounts.

L. V. Prabhakar: All the resolutions are put to vote through remote eVoting. 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 eVoting facility will now be activated for members who are participating in this meeting, and who have not already voted through remote eVoting. The voting facility will remain active till 30 minutes after conclusion of the meeting.

We will open the floor for expression of views or any questions on the financial statements for the year ended 31st March, 2021, and other resolutions moved at the meeting. We will 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 at the AGM. 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 very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. I now request the first speaker Shareholder Shri. Manjeet Singh to proceed with his questions. We request you to please unmute your audio/video from your device. Please proceed.

Manjeet Singh: Good morning, Chairman and Directors and my fellow Shareholders and all staffs at Can Fin Homes. I hope all of you are safe and healthy and stay the same going forward also. Has there been any effect on business of Can Fin Homes, since the merger of the two banks in Canara Bank. There should be some facility given to somebody who wants to avail housing loan from Canara Bank, and that they have all the information regarding the same. Is there going to be any major changes in business, are there any chances of uptake in business, due to the merger of the two banks, because Canara Bank branches are more, do inform us regarding it.

I was hoping for a QIP, but was disappointed to know that the promoter holding is less than 30%, somewhere around 30%. Do the promoters don't trust the Company, that they issue a buyback. All the major companies have at least a 50% of promoter holdings, the limit for the same is 75%. The promoter holding figures that we have, is quite less considering Can Fin Homes as a company, hope you look into the matter.

The Shareholders have shown complete trust even during the tough time of COVID, that the 52 week low of Rs. 366 and the high of Rs. 635 which is quite recent. So, if the public is showing so much trust in you, the market is supporting than why is it that the promoters don't trust our Company. Promoter holding should increase. Revenue has been up 19%, net income also has been 17% up, EPS is also good, and even after that the net profit is quite less. That is all that I wanted to tell you. Thank you.

Moderator: Thank you very much. I now request Shri. Sadanand Shashtri to proceed with his questions. We request you to please unmute your audio/video from your device.

Sadanand Shashtri: Good morning, I am Sadanand Shashtri, from Bangalore. My number is 11702201. First of all, this virtual Meeting is fit for nothing, neither we can approach you properly nor you can reach us. However, Company Secretary Veena inspired us to participate in the Meeting to give a color to our AGM.

As per Page #16 of your report, you have said that the housing loan and the non-housing loan; housing loan is secured however, non-housing loan may or may not be secured, recovery may be difficult, NPA may increase. Why do you encourage non-housing loan?

Page #20, percentage figure of gross and net NPA is all time high, how do the bank reduce it and what steps it is taking?

There is an increase of 50 employees in the number, but loan approval, disbursals, revenue decrease and turnover also come down. What was the necessity of this increase of 50 employees to add to additional operational cost?

Page #26, very important, you have given a designation to Madam Veena as AGM and the Company Secretary, but in general terms particularly in this Annual Report AGM implies Annual General Meeting. It is better to expand Assistant General Manager in the report. Let her enjoy the claim of the designation at least.

Page #37, Financial performance from revenue to EBIT, showing negative growth, but profit is positive what magic the Company has done sir?

Page #41, Final results as far as the account accuracy is concerned, this compilation is wrong. You can observe that Profit After Tax, if you add 3.92 and 0.99 lakhs it results 4.91 lakhs I see 0.99 is bracketless. Maybe the fault of printer, even then, it should appear as 2.93 lakhs,

but it is shown 2.94 lakhs. Further Rs.44,603.10 plus Rs.13,126.55 the total sum is Rs.58,729.65 but it is made 58,729.64 with this account will not affect, but the accuracy defects more.

Page #45 Deposits, Company has mobilized Rs.173 crore more deposits, which is somehow expensive. And on the other hand, company is empowered to borrow Rs.30,000 crores, does it not affect the liquidity and the interest expenses?

Page #82 The level of women employee is only 20.41% of 887. As far as Parliament proposal 33% and Women Employment Policy is concerned percentage is lower. Why can't the Company reach the target?

Page #134 Balance sheet, bank balances allowed to continue high without use. Is it not interest loss?

Property plant decrease, but depreciation increase, how is it sir? Because of reduction in finance costs and a deferred tax, profit is positive, but not out of business. What about the current year position?

Page #160 Unpaid overdue deposits of Rs.11 crores is too high, beneficiary put it into loss. Any attempts made by the Company to trace them?

Last one Page #184, Company assisted real estate sector, builder, developer nowadays, developers are in the habit of encroaching or grabbing the government lands and no such involvements or advances the Company has to guarantee. Thank you very much. And see you next year in NIMHANS Convention Hall. Thank you very much.

Moderator: Thank you very much. I now request Smt. Celestine Elizabeth Mascarenhas to ask a question. We request you to please unmute your audio/video from your device.

C. Mascarenhas: Respected Chairman, Lingam V. Prabhakar; MD, CEO Girish Kousgi, other very, very honorable Directors, forgive me not taking the names, time constraints and my fellow Shareholders attending this virtual

meet. My name is Celestine Elizabeth Mascarenhas, I am attending from Mumbai.

First, I thank the petite Company Secretary Veena G Kamath and her team for sending me the Annual Report in PDF, very good; and also registering me as a speaker on my request and giving me this opportunity, especially the Chorus Team for giving me this platform and audio/video, thank you so much.

Now I come to the Annual Report, it is very good, it is well documented piece and with good information, everything with pictures, graphs, colorful, financial highlights which is making it very, very self-explanatory. Thanks very much to the Secretarial and the Communication team.

Now the working sir, par excellence, revenue up, PBT up, PAT up, EPS had gone up 28.28%, last year to 34.25% interest spread up 2.45% to 2.78%, NIM also up 3.52% to 3.88%. Dividend is only same as last year that is 100% but Rs. 2.

Another very strong point I saw in our balance sheet is, no bad debt written-off for the last five years. This is very, very good, that showed the strength of our balance sheet.

Now I have here one observation, our share capital is Rs. 2663.31 lakh, against reserved of 258317.25 lakh what about the bonus, to unlock more of small Shareholder value, as many companies have done these days, even if they don't give dividend to unlock the value, they have given bonus, so what about thinking in the next Board meeting. When was the last bonus given?

Next I congratulate you for all the awards, accolades received as documented in the annual report, also very good CSR work, all is there in the balance sheet. And what is nice is the ESDR also has been given good importance, very good.

Now my query, of course not that much, but it is very important. Our total loan book is Rs.22,105 crores, disbursement during this COVID or during the last year is Rs.4,332 crores. Sir, I would like to know how much percentage of these loans Rs.4,332 are driven digitally, digital and automatic. And why I ask this, we are having so far the lowest NPA, NPA is 0.61, not even 1% and gross NPA is 0.96%. So next year I will definitely ask, what is the level of NPA from the digital platform, not this year?

Now (2) on Page #7, core strengths of our business is beautifully spelt namely Focus, Strategy, Service, Trust, Investment, Returns. Sir, I would like to know our core competence, and have given very good importance, because I like the Vision Mission Statement core values given beautifully. I like that statement. With that reference also I am asking you.

(3) Sir, we are in housing, affordable wing, catering to large number of middle-class people aspiring to own their own home, not house and ticket size at present, Rs. 20 lakhs, is very good, you an increase it for the small borrowers, because my also foresight small borrowers, at least don't do so much of bad debt.

My advice to you or my exposure, I have seen and I have also been burnt very much, is our DHFL, second in the housing loan, where small Shareholders lost just because they went on increasing not in the same core competence, but they went something else, all other fields. And today the small Shareholder has lost everything.

Second one, company, I can give you many, one another very specimen case Indiabull Housing, appetite for banking grew in them, they did lot of restructuring. They got interest in Lakshmi Vilas Bank, where we saw as small Shareholder to grab a good opportunity. We also invested and though DBS has taken, we have lost everything --. Please go on your core competence business which is going through the affordable sector of the housing loan.

Lastly we have a well-defined whistleblower policy, how many frauds came to light, especially staff involvement or the DSA involvement. And I would like here also to know whether the DSA is also using the digital automation platform.

Now future roadmap for next three years, CAPEX plan as it is you are raising the capital to high growth people. It is okay, but go on your only core competence. Rest I end with COVID protocol in mind. I supposed all the regulations. I wish you sir, and the entire Can Fin Home team, good health with all the team fully vaccinated.

With this I wish you all the festivities which are in the offing. Thank you very much for giving me this platform to speak and express my views. Thanks once again.

Moderator: Thank you very much. I now request Shri. Babu George to proceed with his questions, we request you to please unmute your audio/video from your device.

Babu George: A very good morning to our Chairman, Managing Director and other Shareholders. First of all this is the first AGM after merger of Canara Bank with the Syndicate Bank. On this occasion, I am remembering that Late Shri. Ammembal Subba Rao Pai and Late Dr. T. M. A Pai, both legends of the 19th century and this 20th century; Founders of Canara Bank and Syndicate Bank. And I request all of our executives to go along with the path shown by these two giants of banking industry and social workers in the future.

Also I am glad to note that the profit of the company is increasing considerably, Rs. 45,603 crores per share 34.25 whereas the dividend declared is only Rs. 2.00 per share. In this pandemic condition throughout the country, when ordinary and middle-class Shareholders are struggling to meet both ends, Rs. 2.00 is highly insufficient. I request the Director of Board to consider and declare Rs. 4.00 per share. I also request to take steps for issue of bonuses to the Shareholders.

There was a provision of Rs.22.27 crores shown in the balance sheet. So which part of the country these loans are granted and is there sufficient securities not available, what was happened to these loans?

The COVID-19 will be still exist in most part of the country and the medical experts inform the third will approach by that end of October. Hence, I request the management to utilize the CSR funds and deliver one good quality Oximeter to all the Shareholders who attended the meeting, as well as to the staff and officials of Secretarial Department of Can Fin Homes.

And I also request the management to vaccinate all the employees and officials. So that along with the health of the employees, our asset of the bank, of the company. Also inform how many patients, officials and the Shareholders lost their life due to COVID-19.

The provision for Non-Performing Assets is Rs.22.27 Crores, please explain how it has happened and I am happy, no bad debts in this year, it is a welcome step.

I have a special congratulation to Smt. Veena Kamath, AGM as well as the Company Secretary and her dedicated team for the exemplary and commendable service to the Shareholders. I have sent a mail no 3rd, Friday morning, immediately she responded and contacted, this is a real example of kind woman. And I hope she and her team will be an assets for the Canara Bank and Can Fin Homes. The services of Canara Bank nowadays are coming to the low-level after merger. Please take an example from this lady and improve the condition of Canara Bank also.

I once again request the Managing Director, Board as well as the Chairman to consider my request favorably with the best wishes, I am Babu George from North Parur, Kochi, Kerala. Perhaps I may be the only Malayali attending this meeting. And I also request the management to consider more loans to Kerala people and also consider some relief, you have donated Rs. 1 Crores for Karnataka and another Rs.4 Crores or Rs.5 Crores to the Central Government. Please

consider a portion of this relief amount to Kerala also. Kerala is a very close friend of Karnataka as well as after the merger of Canara Bank and Syndicate Bank, the number of branches increased considerably please look into it. And give half percent discount in the interest rate in view of the pandemic situation.

Best wishes and all the best for your next six months. And I hope good performance in the next balance sheet. Best wishes. Thank you very much.

Moderator: Thank you very much. I now request Shri. Santosh Kumar Saraf to proceed with his questions. We request you to please unmute your audio/video from your device.

Santosh Kumar Saraf: Honorable Chairman, all the Executives, co-Shareholders present in the Meeting, I am Santosh Kumar Saraf, I am from Kolkata. Firstly, a warm welcome to all of you. Hope all of Directors, Executives, Employees are safe and healthy in this trying times of COVID. And condolences to all those souls who have departed due to COVID, hope they receive eternal peace and give strength to their respective families.

I wish a bright future for the company, and also expect a good dividend. And that the company keeps progressing and keep giving dividend. I want to end with wish you all the best of health. Thank you. Once again thank you for the dividend.

I want to know how many percent of employees have been vaccinated, both employees and their families, please do let us know. Thank you that's all.

Moderator: Thank you very much. I now request Shri. Ramesh Shankar Gola to proceed with his questions. We request you to please unmute your audio/video from your device.

Ramesh Shankar Gola: Very good morning Mr. Chairman and all of the Directors and co-fellow my Shareholders. We are celebrating our 34th Annual General

Meeting, is very good sir, in the virtual meeting. Sir, the dividend of Rs. 2 per share is not so good, hope in coming years the dividend is increased, this is my request.

Throw some light on the business going forward, what are your views. As Shareholder, the interest should be reduced up to 2%, it would have been very good sir. Housing loans for Shareholders, I am asking sir. Are there any salary cuts, in this pandemic? In pandemic, was there a 100% staff attendance, from office or not, please tell me? Are the employees, company executives and their respective families, is 100% vaccinated or not, please let us know? I wanted to ask about the bonus issue, let us know about that too.

And our Company Secretary Veenaji is very good and a very responsible person, is a very nice sir. And I congratulate our Secretariat team too. In advance Happy Ganesh Chaturthi to all present. Wish you all the best sir. And it was a great opportunity to meet all of you. Thank you very much and have a great day sir. All the best. God bless you all sir.

Moderator: Thank you very much. I now request Shri Sharatkumar Jivratsa to proceed with his questions.

Sharadkumar Jivraj Shah: First thing, sir it is not 12:00 o'clock. So, it is good morning, sir. First good morning. And I will start with Chairman's speech, because all the time Chairman was saying that affordable, affordable so why not to add affordable word in our company's name that is because that is our main business.

So, I prefer to do that. And another thing is that I am a, this account holder of Syndicate Bank for last several years having 5 accounts, and now it becomes Canara Bank. Anyways, last 15 months, I do not visit any single bank to go to the bank at all.

Another thing I must say that we must appreciate services of RTA and Company Secretary and AGM Mrs. Veena G Kamath, because last year they helped me like left and right. And my observation is in this

balance sheet, if I refer page number 20 and 21 most of the things, I get all the information from the balance sheet. Another thing what my all previous speakers said, I am not in favor of increasing number of shares.

So, I will prefer to have reduction in share capital or buybacks. So that my buyback will reduce number of shares, reduction in capital another thing, which I will refer page number 42 and 117. The share prices have doubled or more than doubled in FY20-21.

And I do not remember, I had referred the balance sheet because soft copies once you refer then you go further pages. So, I do not remember whether our revenue is higher or lower this year, but what I remember is this year the PAT is very good, earnings per share is also good. And this is basically because of high PBT, which is in last seven years and this year what we have done, total expenses are lower in this year and if we keep the things continuously in future also, definitely our PAT EPS ups definitely will increase and the debt equity ratio is lowest in last four years, but I have not understood clearly how this ratio has come down. The company's investment is Rs. 49 crores in government securities, which fetches 6% to 7%.

My opinion one thing is there I am very happy that Can Fin Homes has not purchased Canara Bank's mutual funds. That is my first point that is a very good thing they have done, but whether it is compulsory for Can Fin Homes to invest in government bonds, when it comes to money that is there because 6% to 7% we are investing. And another thing that on page no. 29 you say that supply unit is zero it means the demand for housing is lower.

Please just clarify on this point. Sir, our NPA is 0.61% and NPA of housing loans, which is of Rs. 18,000 crores is 0.79%. The NPA of non-housing, if this is the information of page number 187. In NPA non-housing loan is 1.5. My research also says that Sadanand when we are not doing very well in non-hosting why we should continue? And if we discontinue this operation of non-housing loans definitely my NPA will increase.

Now, the gross NPA is Rs.201.91 crores and it is increased from two digit to three digits in last three years and it is highest. And I would like to know how much NPA from housing loans and non-housing loan is how much? Did you give housing loans to individuals not to the society or total project?

The informed number of housing projects in this individual book flat and the status of each project because if the project is not doing well, we are in problem. Page number 35 says sir, risk is an integral part of the business and if you just see in Mumbai what happened 5,200 projects are incomplete and government came to help people at RERA and under RERA also 3,200 housing projects are incomplete and in such cases definitely the housing companies comes to the problem, that is the risk increases.

So, risk is maybe as the part of the business, but we should not intentionally increase our business risk. And what I said here that we are giving loans to individuals why not too few, why not to start our own re development projects so that all control is with us and then we can reduce our risk and the Mumbai if we see is having a maximum redevelopment projects from 1 acre land to 30 acre land. So, we can choose our capacity and decide what we should do.

Another thing what is happening in this redevelopment project that we are totally secure that is one thing and another speaker Sadanand also said that we should look into such a way that we give large scope for developers, but we should become a developer ourselves and there are a lot of construction contractors are available in the market like capacity.

So, these all developers give work to them so we can definitely do a better job than them. This is my feeling and look into this and seeing what in the last page of balance sheet we have got 100 offices all over India and the [(Inaudible) 00:68:10] is not there.

You have got Boisar, Pune, Solapur like that. And the reason may be affordable housing cannot be possible in Mumbai. It is my feeling and

that is why you do not want to enter in the Mumbai region. But still what I see is that redevelopment business feasible and everybody is secured company is secured, those who give loans the tenants are secured, people are secured so that and the project gets completed in fast time.

So please bring to and HDFC is also having a division which they do themselves projects and another thing I observed the HDFC has given loan to Nirlon and with Nirlon in 21 years it has come to [(Inaudible) 69:08]. So, look in and that was a 21 acre land so look into this city and go ahead, sir. With you I am very happy with RPA and Company Secretary. And I support all resolutions. Thank you very much.

L V Prabhakar: Thank you, Mr. Sharadkumar Ji. Thank you very much.

Moderator: Thank you very much. I now request Shri Ashit Kumar Pathak to proceed with his questions.

Ashit Kumar P: Very Good afternoon. At first my best wishes and to all the Can Fin Homes for good health. And respected Chairman and Board of Directors, MD and CEO, fellow members for joining the AGM of Can Fin Homes Limited. My name is Shoshit Kumar Pathak from Dum Dum, Kolkata.

Thanks to Company Secretary Mrs. Veena G Kamath for excellent service to shareholders and all the things notation Annual Report very well in advance and allow me to speak. Sir, I have already successfully casted all the resolutions mentioned, apart from that, I would like you to share the status of all directors, executive staffs and branch staffs, if possible? So, some highlights?

And excellent thanks my company's management team for Rs. 22,000 crores milestone and also meet to channel partners very, very important business operation and also oxygen support in this pandemic and medicine on will very nicely for activities Rs. 4 crores donation to PM Care Funds and Rs. 1 crores also called on our proposed disaster management and also sir, this is my view. Sir, any expansion

plan to other zones where I am my residence is Eastern Zone and Eastern Zone is very, very demand in small ticket size of housing loan where our housing loan ticket size mentioned Rs.20 lakhs.

And also other housing Finance Companies are also doing business in eastern zones and it is available to salaried person, government salaried person also available. So, any expansion plans in Eastern zone, put some highlights. Financial performance though revenue is down but also Profit After Tax is Rs.456.03 crores, Rs.21.50 crores, excellent performance. I appreciate management team and BPS also gone 34.25. I feel proud to be member of this company.

And I feel totally proud you also sir and also net profit margin is 22.59% [(Inaudible) 72:34] 200%. Only sir, gearing ratio reduced from 8.72% to 7.39%. So, my request to reduce the debt reduction policy because debt reduction policy is the very, very, very concentration into business progression and also capital market appreciation also.

Sir, our capital expenditure intake initiated if possible. So, some highlights? And sir, borrowing costs from banks mentioned 6.71 and from NHB that is 6.41 my views is that from borrowing from NHB is the cost effective at present? And sir, for housing loan is for customer how much is this opportunity because in this portability there is a risk factor or the progression factors. So, if possible throw some highlights our concept in this portability? And also sir, reserve also very good Rs.2,082.17 crores and share capital of Rs. 26.63 crores.

Sir, any possibility? I am not asking for bonus shares, because many companies are rewarding members with NCD bonus. So that will be rewarded and for equity capital only. This is my suggestion I am sharing with you.

Any the plan to issue ESOP? Many companies are rewarding ESOP plans to directors and employees for enhance their financial activities. So, any plan please throw some light? Our number of branches is 186 and satellite branches 14 mentioned in the Annual Report. Sir, all the

branches in positive financial activities more and any plan of raising of branches in this financial year? Please, if possible, throw some highlights?

And present as per quarter one the total loan book status and disbursement status and capital ratio and NPA and if possible because we are in financial stability report projected that is not good in this economy scenario that GDP also in negative and projection GDP growth is 8.5%.

And also GNPA disclosed in the initial 22nd page, is very high because 9.75 **(Inaudible) 75:16** so what present **(Inaudible) 75:19** and also business provision in three years because government giving various initiatives Rs. 30,000 crores special for NBFC, HFC, Smart City all the initiatives and also Union Government budget session tax exemption for 1.5 lakhs affordable housing and Pradhan Mantri Awas Yojana credit subsidizing, all these positive parameters present in our business ecosystem.

So, what our company's roadmap for the next financial year for enhanced business in housing because housing business is enhanced in this domestic market because rural sector also up rising and rural sector also in economic progression. So, I think expansion apart from South zone that is the big sector enhanced business operation. And sir, now have nothing to say more and expect financial year 20 enhanced financial performance apart from financial 21 and got everybody associates to CanFin Homes Limited. Thank you, sir.

L V Prabhakar: Thank you, Shri Ashit Kumar Pathak Ji.

Moderator: Thank you very much. I now request Shri Bharat Raj Kankanalana to proceed with his questions.

Bharat Raj Kankanalana: Very Good morning, Mr. Chairman, entire board of directors and independent directors. Sorry sir, I cannot be on the video due to technical reasons. I will continue through the audio. First of all, I am happy to see yourself healthy and fine Mr. Managing Director. Sir, first

of all I enjoyed physical AGM of our company. It is a very nice ambience and a very nice mixing of our employees, and it will be very good. I wish that next year we will hope we will meet physically. Sir, and thanks for the management for the dividend payout. Sir, may I know what is the dividend policy?

Because every year you are giving only 100%. Can we expect a 200%, 300% in coming years? Sir, as per this COVID my entire employees being vaccinated. Any dis-calamities happen and how you are taking care of the employees? That is my second question. Sir, till now our company has not issued bonus sir. Sir, can you issue sustained bonus sir because our share price is Rs. 600 and it is in very good price. Now it is the time for go for the bonus.

Please consider the bonus issue sir. And regarding the branches sir, any future plans is going to be the Northeastern States and North Indian states? Because present you are very strong in North India. Sir, in future any plans to give the stake to the venture capitalist or investors because slowly the banks are going for privatization and will be merged with some other banks?

Can we expect the Can Fin Homes will be merged with some other public sector banks or it may be given stake to the private investors? That is my third question. Once again sir, all the bests in coming years. I wish you safe and healthy and fine. God bless you. Thank you very much.

L V Prabhakar: Thank you, Bharat Raj Ji.

Moderator: Thank you very much. I now request Shri S. Ashok Chakravarthy to proceed with his question.

S. Ashok Chakravarthy: Sir, the share price has broken the year high price and I hope that it will break all other records also. And the next subject I wish to inform you is that yesterday's our MD interview with the CNBC has come out very well. And I am very glad to know the projections for the year 2022.

Now at this time, I also just wish to know from the management whether any organic or inorganic expansion any proposals or plans or if anything is there, please inform me about the organic or inorganic expansion plans? And at the end, I thank the management and the Company Secretary for the opportunity given to me to speak in this meeting. Thank you very much, sir.

L V Prabhakar: Thank you, Shri Ashok Chakravarthy Ji.

Moderator: Thank you very much. That was the last speaker, shareholder. I now hand over the proceedings to the Chairman. Thank you and over to you, sir.

L V Prabhakar: Thank you for all the questions. We have received questions in the chat box on some common topics. We will now answer your questions. I now request Shri Girish to respond to the questions.

Girish Kousgi: Thank you, Sir. Good afternoon to all the members. We have got a series of relevant queries from all the 10 shareholders. We will try to address all the queries. We have very carefully jotted down every single query, which is sought by the shareholder. Just in case if we miss out on one or two queries, we will write to you immediately after the AGM.

I thought it is very, very important to give you a background in terms of what we have done last year, most of the queries which we have received on chat box and also queries raised with all the members will be covered in that. And whatever is not covered, I will go through after these initial replies.

As we are all aware, on 24th March just before last year could begin, there was a national lockdown because of COVID-19. And from March 24th till about April 19th, all the employees of your company worked from home. Even though all the employees were at home, they were in touch with customers, trying to understand what they were going through, what support they needed due to COVID, which probably could impact their income levels.

So, we were in regular touch with all the customers. We worked from home till about April 19th. And from April 28th onwards in a phased manner, depending on the State regulations on COVID-19 and also severity, we took a call and we resumed coming to office. This was purely based on safety, safety of a particular location, safety of a particular State keeping in mind what were the local regulations at that point in time with respect to COVID-19.

Our complete focus during COVID times was to ensure that we were in touch with the customer, understand the customer needs. When there was moratorium announced by RBI, we were in touch with the customers to help them choose what options they wanted. We completely focused on operations and customer engagements.

When MORAT was announced by Reserve Bank of India, we got in touch with every single customer multiple times with the view of supporting our customers during tough times. If you look at our MORAT percentage, you would have probably heard this on various social media as well, our MORAT percentage was quite high compared to the industry standard.

The only reason was we wanted to help each of our customer, irrespective of the segment, whether a customer is employed, or self-employed so that customer did not have to go through any hardships because of the installments, which customer was supposed to pay in spite of having an option to having moratorium.

So, our moratorium was 28%. I think a lot of people had a little concern, since our MORAT percentage was quite high compared to the industry standard. But we always maintained that at this point in time, need of the hour is to ensure that all our customers are safe, secure, both in terms of health and also financially. So, we wanted to give that moral support, financial support and therefore we tried to cover most of our customers. It is just 28%. 28% moratorium has not resulted in any incremental, on a comparative basis in terms of NPA.

So, it very clearly shows we wanted to support our customers and that has actually paid off. Now, till about third week of May, we were completely focusing on operations and customer engagement, trying to explain to the customer whether it was good or not good for the customer to avail MORAT options depending on the customer's financial position and the employment or self-employment status.

From fourth week of May, we resumed business. From then onwards, business was slowly in progress. So basically, quarter one was not that good for business. We focused on customer health, customer financial health in terms of choosing options that we completely provided. So, in Quarter two, Moratorium was extended for three more months, totally, it was for six months.

So, in quarter two, we resumed business, but we thought your Company should actually focus on asset quality. If you look at pedigree of CanFin, we have always been one of the lowest in terms of NPA and in terms of portfolio health, we are the best. So, we wanted to ensure our portfolio and also take care of our customers, therefore, there was equal importance in quarter two given to the health of the portfolio that is managing the book, and also managing our customers. So, there was equal focus.

Quarter two was better. The quarter three was really good. We came back. There was robust demand, most of the demand was pent up, which actually hit the Company and we were ready. What happened during this time was, because of COVID, there was challenge in terms of mobility of people, both for the prospective customers, as well as our employees, the book started depleting.

There was flight of portfolio from HFCs in general, CanFin in particular, to banks. The banks, basically both private and PSUs, because there is always a difference in the yields, at which the book was at and incrementally, the rates offered by these two set of institutions, one is the banks both private and PSU and second is HFC. There is always the differential.

So, from last three decades, Can Fin has managed to keep the yields higher than banks. During this time, because of mobility, because of a lot of challenges in view of COVID, there was flight of book.

So, we had to revise our rates to ensure that we protect the book because eventually company makes profit on the books. So, we did it successfully, it paid off actually. We reduced the rates and extended support to the extent possible with a lower interest rate on a) existing customers, b) incrementally also.

We had maintained this pricing strategy till quarter four. I am happy to inform that your company's best ever performance in terms of disbursements was in quarter four of last year. This is in the history of CanFin, in terms of disbursement, for the first time ever, that your company crossed Rs.2,000 crores of disbursement.

If I have to talk about NPAs, if you look at our morat percentage, our product mix and segment mix, the increase in NPA over last one year is still considered to be the lowest in the industry. Even today your company asset quality is one of the best, it is one of the lowest, in spite of a vintage book.

With respect to cost of funds what we did was, since we had to reduce the price to our existing customers and also offer this benefit to the new customers, we renegotiated with all the bankers on the existing term loans. So, we got the interest rate downwards, so that our cost of funds came down. We were in a better position to offer that benefit to all the customers both incrementally and to retain that existing portfolio.

We always held excess liquidity in terms of bank approvals, but not drawn. So, we always had that cushion in terms of bank sanctions so that at all times Company had readily available funds and we were in a better position to strike a deal with all the existing bankers to reprice the existing term loans on the lower side.

And we also have managed our cost very well trying to balance between various sources of funds between banks, within banks we also ensured that we have a mix of PSUs, private and also foreign and similarly overall, if I have to talk about liability basket between market and banks, within market, we also played very well between NCD and commercial papers.

In the last year, your company has made a lot of efforts to improve its positioning and showcase how good the company is to investors at large and to the larger public. We focused very clearly on electronic media in terms of appearances, both with respect to immediately after results and also on general outlook. So, there were lot of appearances, just to ensure that the company gets showcased.

Therefore, there was a concerted effort to showcase the company on various electronic media. Apart from electronic media, we also had very good coverage in social media like Twitter, Facebook and LinkedIn. In terms of print, we were more visible because we had that pricing power to attract customers. Therefore, we thought this is the time that we should focus a little bit more on print media.

So, we focused both on advertisements, and posters, both with respect to lending as well as deposits. We had collaborated roadshows with many large investors to get visibility amongst Funds. We did a lot of road shows, we did several investor presentations. After every quarter financial results, we did con-calls with an average of about 175 to 180 investors and there was constant investor engagements.

All these things probably have resulted in increase in the shareholding of corporate bodies, during last four to eight quarters, corporate foreign bodies, which held about 0.92% two years back grew to about 13.47%.

If you have to talk about last one year, it went up from 6.18% to 13.47%. If you have to talk about mutual funds, it went up from 2.84% to 13.87% in last eight quarters. Last four quarters, at least for the last financial year, it went up from 11.1% to about 13.87%.

This is as of March. Now, the point which I wanted to make is that we have made lots of efforts to showcase how good the company's performance is.

So that, you know, overall, all the investors and the company benefit and also there is a better understanding amongst all the stakeholders. In terms of future outlook, we are pretty positive. We work on four broad pillars, that is growth, profitability, liquidity and asset quality. This fabrics of CanFin was always maintained. As of now there is slight change in the priority. Now we thought this is good time, because during COVID time last year, we were not able to do business as we had anticipated because of COVID.

Still in comparison with most of the peers in the market, we put up a decent effort. I think all the shareholders who spoke today they have given comments on our performance so I will not repeat that. So, we thought there is pent up demand which is still being carried on, and we should try to seize that opportunity.

So, we feel that company will be very clearly focusing on growth, maintaining the asset quality with highest liquidity, and with decent profitability. I think these four pillars we will continue to work even in future as well.

With respect to some of the COVID initiative, what we have done, your company was instrumental, in supporting COVID relief efforts, your company organized vaccination drive for all the employees and their family members.

As you are aware, we had made a lot of contributions to PM Fund and State Fund for COVID. We supported many hospitals for COVID purpose with respect to providing oxygen cylinders, ventilators, etc. So, there was a lot of focus with respect to CSR spend towards COVID because that was the need of the hour. With respect to employees, we covered vaccination cost of all the employees and their families.

Today, all the employees are vaccinated. In terms of employee family vaccination coverage, we do not have the exact figure at this point in time, but I think at least about a few weeks back, the count was about 70%. During the entire COVID period, there was no pay cuts to any of our employees.

With deep regret, I would like to say that we lost two of our employees during COVID time. Company had put up lot of efforts and even the family members had put a lot of efforts to save lives, but unfortunately, we lost two lives. In spite of we educating all the employees, you know, time and again in terms of the do's and don'ts with respect to COVID appropriate behavior. This is broadly on how we were able to manage last year.

Now, I will go to specific questions which our members had raised. As a company today we are in open market. We as a company face competition from banks both private, PSUs, HFCs and NBFCs, who actually focus on non-home loans. So, we very clearly focus on what is the growth prospects for us, what is our niche segment, where to operate and how to operate.

There is competition. So, there is no specific competition, either from the parent banks or any other banks in the market. There is competition across, and therefore your company has managed to live with this competition from all the big private banks, PSU banks, HFCs, big HFCs, mid-sized HFCs, small HFCs and NBFCs. So, we will continue to compete with them and I am sure our company will come out successfully in the years to come as well.

With respect to conducting virtual meeting, we are more than happy to conduct physical meeting. Due to COVID restrictions and also guidelines issued, we had to conduct virtual meeting. Hopefully by next year things would change and we would be more than happy to conduct physical meeting, but of course that depends on what the guidelines are at that point in time.

There was one query on non-home loans with respect to security. All our loans both home loan and non-home loans are secured by the primary collateral which is the property on which we fund. There was one query with respect to segmentation that is salaried and non-salaried. Delinquency in salaried by design is lower compared to non-salaried, which is self-employed, non-professional. So, your company has put in some checks and balances. To manage the risk in terms of higher delinquency, we charge a higher rate.

So, we get better yield on self-employed non-professionals. So, the incremental increase in delinquency is offset by the incremental yield, which force this portfolio would turn, number one. Number two, we are very choosy in terms of customer selection, geographical selection. So, we operate mainly in very safe geographies.

So, we do some bit of analytics with help of bureau. We figure out which are the States, you know, where the repayment behavior of this particular segment is better comparatively, and in those regions, we do self-employed non-professional business. To that extent, both the risk is managed one in terms of the creditors. Number two in terms of the differential in yields to support this business.

Today as a mix, we have largely home and to a small extent non-home loans. Non-home loans is a very good business, as long as we are very clear on our various filters, whether it is policy or underwriting and if it operates in safe geographies, this would give us better return.

So, if you compare the yield versus the delinquency, it is still profitable and therefore, you know, your company thought it is good to continue with this strategy. In terms of employees hiring, what we have hired in last year were basically what was absolute necessity. Some of them were actually committed and some of them were actually necessary and also it is as against retirements or resignations.

So, to that extent, last year, there was some impact in terms of employee productivity, when I say impact, if I have to look at average

business per branch, it was for 2021 it was Rs. 115 crores, from 2020 it was Rs. 105 crores.

Now, this would have been slightly better if we had a full-fledged normal year due to COVID, which all of us are aware and therefore the increase in business is only about 7 to 8 % for last year compared to its previous year. If I have to look at average business per employee, for 2020 it was Rs. 25.07 crores and for 2021 it was Rs. 25.4 crores. So, here it is almost flat.

So, there could have been a better increase. What happened during last year was, during COVID, we lost about almost about five months. So, five months was not productive. So, initial 45 days was not doable, and then slowly things started resuming back and therefore the productivity level started from about 20%, then 35% to 60%.

So, we lost about five months. In spite of losing five months, your company, all the employees of your company ensured that they put their best efforts and put up a good show so that if we compare with the competition, how we have fared, whether in terms of growth, disbursement, and in terms of all the critical parameters, we should be at least amongst the top two and not anything lower. To that extent, your company was instrumental in trying to withhold and coming out of this difficult phase successfully.

There was a question on fraud cases, irregular cases. There were 19 cases amounting to Rs. 3.7 crores. This is spread across six branches. There was one more query with respect to provisioning of Rs. 22 crores. Basically, you know, the idea was to understand was there any trend ? we have analyzed. There is no geographical bias. And all these have become NPA in the normal course of business.

But for the 19 cases, what I mentioned, these 19 cases do not pertain to last year, because these 19 cases were identified last year based on some trigger. So, this Rs. 22 crores provisioning was, pertaining to accounts which had no regional geographical bias, no segment bias

and there is no trend which is actually emerging. So, this is in the normal course of business.

In terms of branch expansion, we are very much open. If you look at last few years, we have been pretty aggressive in terms of opening branches, so we want to increase our reach. At the same time, we also have some work internally in terms of making all the branches profitable, because of COVID and also, since we thought we should not grow a little aggressive on hiring because of COVID.

So, we did not hire too many people and we thought let us work on the branch profitability, and therefore we did lot of work in terms of existing branch, relocation, trying to open the productivity and stuff like that. Going forward, if there is a need depending on the potential we will expand every single year, but that should be profitable. What is more important to the company is that any branch we open will breakeven in twelve months. After that, it will start making profit.

So, now, we are trying to see, though by deploying more people in the existing branches, we can get more than what we would normally get if we opened a branch. So, we do that cost benefit analysis and then take a call just to address the query. We are very much open and we will keep expanding as and when there is a need. We have sought members approval for Rs. 30,000 crores which is the borrowing limit.

Now, this will definitely not impact liquidity since there was a question raised, because this is keeping in view of the mind our growth projections for this year keeping profitability in mind liquidity in mind and the way we do business even our asset quality and NPA in mind.

So, this will definitely not impact liquidity at all. We will neither be too much excess on liquidity nor will be low. We will maintain liquidity. We have a strategy within that we need to maintain a few months of liquidity just to ensure that we get that negotiation power when we negotiate with various stakeholders and also with the bankers in terms of drawing. So, we will keep that in mind, and this will definitely not impact liquidity on either side.

There were lot of questions on dividend and ownership. This is your company and all of us know what as a country we have gone through last year. On one side I am very happy to say that your company did pretty well last year and declared 100% dividends. There could be questions as to why not more, why not less?

I think what we thought was that in this difficult time, tough time, it is better to plough back profits. In terms of bonus, we thought we might need that resources to grow in future. We want to be future ready and therefore, we thought because if company grows all of us could benefit and therefore, we thought we will plough back and we will conserve our reserves so that it will aid us in terms of growth in future. That is the reason why we thought we should adopt this strategy.

There was one query on subsidized interest rate to all the shareholders. I think basically the way your company would operate is that yield is dependent on cost of funds. So, cost of funds is linked to so many external factors. So, your company would decide on the yields or the rate at which it has to offer to various categories of prospective customers, keeping in mind the cost of funds. And therefore, also there is some regulation also, which might probably come in the way if you have to differentiate in terms of our offerings.

I think the primary reason is that a company should ensure that they maintain decent spreads and margins when they decide on the yields. So, keeping that in mind the rate of interest is decided. We take reservation. I am afraid whether we can take that approach but very good suggestion I appreciate for that suggestion.

During the COVID time we were flexible in terms of our employees working from home because at different points in time different states have different rules and regulations with respect to lock down, weekend lockdowns or maybe there was a limited time allowed for a general public to move out.

So, we were very flexible and we followed this for all our customers across all the locations during this entire COVID time. So, there was enough flexibility given to the employees to work from home or to come to office depending on the local regulation what it allowed. As a company we will be focusing on affordable segment. If you look at the ticket size, which was Rs. 18 lakhs has now inched up to Rs. 20 lakhs. That is because of our change in pricing strategy.

But still our main focus is on affordable. Now, because of this pricing strategy, a lot of markets, a lot of segments have opened up and which will aid company to do better numbers in future but largely as per the suggestion given by Mr. Shah, we will be completely focused on affordable.

As a company, we have to invest in government securities. This is for the SLR requirements. That is the need as to why we need to invest. I have already covered on the NPA, because the NPA for self-employed is slightly higher compared to salaried and that is offset to the higher yields on the non-home loans.

In terms of debt reduction, I am happy to say that your company was able to reduce debt equity ratio without raising any capital last year by doing good business, putting up good performance, making good profit, so that the debt would reduce and therefore eventually the DER. If you look at last year, your company was able to reduce debt equity ratio quarter-on-quarter.

So, our constant effort is to ensure that we always remain at a comfortable level with respect to debt equity ratio. We take your suggestion on NCD bonus and also ESOPs. So company would take appropriate decisions at appropriate time in the years to come. At this point in time, I think company has to largely focus on growth and delivering better results to stand out in the market during tough times.

With respect to our dividend policy, we have a certain percentage of net profit which can be distributed as dividends subject to the minimum of 20% of the paid-up capital, which is about Rs. 5.23 crores.

So, as I told you, our strategy was to plough back so that company is future ready in terms of doing better and more business in future.

At this point in time company is not envisaging any inorganic growth. Company would focus on growing in the normal way, market is very good. We feel that, we certainly saw this immediately after COVID first time and again after COVID second wave, the market is quite robust. We get to know from the nearest channels that the market is quite robust and we see the housing segment improving.

And this will stay for next few years. So, your company would want to leverage on this opportunity and try to improve on business. With respect to women employees as a percentage we are currently at 24%. We take your feedback. Company is putting all efforts to balance the tender within the company and we will definitely work towards this.

With respect to developers, I am happy to share that our strategy is largely in affordable. 99.97% of the loans are to individuals. It is completely repaid. We do not have any exposure to developers directly as a construction finance, we have a very small amount which is about less than Rs. 2 crores towards developer. Even if we plan to build that business, that will be hardly anything. As an overall exposure it will be less than 0.5%. So, to that extent, your company will be safeguarded with respect to exposing to developer finance in terms of the risk or risk of construction on project retail funding.

So, basically when we offer to our customers for purchase of a flat which is under construction, I think that is where we have the completion risk. To manage that, in the overall portfolio, I am happy to share that 75% of our portfolio is independent houses, 25% is by way of funding for purchase of an apartment. It could be a fresh purchase, or it could be a resale.

Now, as far as resale is concerned, there is no completion risk because the property is complete. As far as fresh purchase is concerned we do not do Advanced Disbursement Facility. So, we typically take

exposures even on a retail basis of purchase of apartment, only when the project is nearing completion, which is about 80% to 85%.

So, at any given point in time, the risk of completion would be very less. We disburse based on progress. And we disbursed at the fag end of the completion and therefore, exposure to developers or projects is minimal as far as your company is considered.

There were few queries on some of the differences between two pages in the annual report that is largely because of accounting standards, or it could be because of rounding off, so we will get back to you on every single query, through an email to the concerned members.

I thank all the stakeholders for having reposed their confidence in the company, and to the employees for their hard work and dedication. Thank you.

Moderator: Thank you very much. Over to the chairman for his closing note.

LV Prabhakar: All the items of business as per the notice of the 34th Annual General Meeting has been duly discussed. As mentioned earlier, the e-Voting facility will continue to be available for 30 minutes from the conclusion of the meeting. Shri S. Kedarnath, Scrutinizer will provide his report within the prescribed period, and I hereby authorize the Managing Director to declare the results of 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. I now declare the proceedings of the Annual General Meeting as completed.

On behalf of the 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, stay safe and take care. Thank you very much. Have a good day.

Veena G Kamath: I request the members who have not cast votes by using remote e-voting facility, to exercise your votes now through NSDL, CDSL or through your DP within the next 30 minutes. Thank you.

Moderator: After 30 minutes : Dear members, the time for E-Voting has elapsed. And members who are participating in the Annual General Meeting have been given adequate time and opportunity to vote at the AGM. And this concludes the proceedings of AGM. Thank you all for participating in the AGM and E-Voting.
