

Transcript of the 28th Annual General Meeting of HDFC Bank Limited held on July 16, 2022**Mr. Santosh Haldankar - Company Secretary, HDFC Bank:**

Good Afternoon members. I, Santosh Haldankar, Company Secretary of HDFC Bank welcome you all to this 28th Annual General Meeting of your Bank. I, on behalf of the board members and management, hope and wish for the safety and good health of all the members in your families. Pursuant to the provisions of the Company's Act and various SEBI circulars, this meeting is being held through two-way video conferencing, other audio-visual means. A live webcast of the proceedings of this meeting is also provided on the website of NSDL. The Bank has received 3 corporate representations for 116,46,25,834 equity shares of the Bank, which represents 20.97% of the total voting share capital of the Bank. The Register of Directors and Key Managerial Personnel, the necessary certificates from the auditors and all relevant documents referred to in the notice of the AGM, are available electronically for inspection by the members. Members wish to inspect such documents may send their request to me. While we had provided the e-voting facility to members, the same is also available to the members during the AGM. Members who have not yet cast their vote, may cast the same during the AGM. The process for e-voting is already provided in the notice of the AGM. Please note that members who already voted on the resolution by way of remote e-voting, will not be able to vote again at the AGM. Participation of members through video conferencing, other audio-visual means is being reckoned for the purpose of quorum. I now wish to inform the members that around 98 members are attending this meeting through video conferencing. Accordingly, the requisite quorum is present for this meeting. The Annual Report for the financial year 2021-22 and the notice convening this Annual General Meeting has been sent to you in advance through electronic means. The notice and Annual Report are also available on our website. I'm pleased to announce that both the Statutory and Secretarial Auditors have given an unqualified report. Accordingly, with the permission of the members, I take the Audit Report as read. With the permission of the members, I shall also take the notice convening this meeting as read. Now, without any further delay, I request the Chairman, Shri. Atanu Chakraborty, to continue with the proceedings of the meeting.

Thank you. Over to you Chairman sir.

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Thank you, Santosh. I thank all the esteemed members, my distinguished colleagues on the board, the auditors and the management team for joining this meeting over video conference. Now, I take this opportunity to introduce all the board members participating in this meeting through video conferencing mode. I'll start with:

- Mr. M.D. Ranganatha – Independent Director and Chairman of the Audit Committee of the board;
- Mr. Sanjiv Sachar - Independent Director and Chairman of the Nomination and Remuneration Committee of the board;
- Mr. Malay Patel – Independent Director and Chairman of the Stakeholders' Relationship Committee of the board;

- Mr. Umesh Sarangi – Independent Director;
- Mrs. Renu Karnad – Non-Executive Director;
- Mr. Sandeep Parekh – Independent Director;
- Dr. Mrs. Sunita Maheshwari – Independent Director;
- Mrs. Lily Vadera – Independent Director;
- Mr. Sashidhar Jagdishan – Managing Director & CEO of HDFC Bank;
- Mr. Kaizad Bharucha – Executive Director of the Bank.

We also have with us Mr. Srinivasan Vaidyanathan – Chief Financial Officer of the Bank. The representatives of M/s MSKA & Associates and M/s M M Nissim & Co. LLP, joint Statutory Auditors, M/s Alwyn Jay & Co, Secretarial Auditors and legal counsels are also attending this AGM through video conference.

As confirmed by the Company Secretary that the quorum for the meeting is present, I call this meeting to order. May I now have the permission of all the members to take this opportunity to read out my address to them.

Esteemed Shareholders, distinguished colleagues on the board and management of the Bank, it gives me great pleasure to welcome all of you to the 28th Annual General Meeting of the Bank. We are once again meeting in a virtual mode. Thankfully, we are now greatly protected due to the successful vaccination drive of the government and normal activity has resumed in all corners of our economy. While we get on with our normal lives, we should not forget the immense sacrifices of those who kept the wheels of the economy moving when the pandemic was at its worst. I salute the members, our Bank staff, who kept the operations going even in the face of this adversity. I shall now first share my perspective on the current economic environment and then provide you and overview of your Bank's performance and the strategic direction, as we see it from the Board.

One of the world's leading economic journal called this year 'A year of predictable unpredictability's'. That was in the context of the pandemic. This scourge mercifully has eased in a fair measure. However, the world today is dealing with multiple unanticipated challenges that have put enormous strain on the trade flows and international financial systems. Though expected, but inflation has reared its ugly head globally, much too ugly! Resultant monetary tightening has led to interest rate increase and depreciation of the currencies all over the world. Unexpected war in Ukraine has disrupted global trade and energy supplies, increased crude commodity and grain prices. The pandemic induced global supply chain issues continue on account of uneven recovery in certain countries including China. These factors naturally have affected India as well. Having said that, we also see a health rebound globally in services, trade and travel. How much impact monetary tightening will have on advanced economies, is yet uncertain. We also witness economies in our neighbourhoods and those in emerging economies that have been adversely impacted by the trade balance and inflation. IMF has predicted a lower growth for the year 2022-23. But, nascent recovery in China, at least starting off to some extent, goes well for the trade.

GDP of India showed a healthy growth of 8.7% in the year 2021-22. The government balanced the fiscal policy well. It ensured care for the needy, supported a massive vaccination drive and yet pushed large scale capex in infrastructure. Monetary policy was also very adroitly balanced by the RBI and these ensured that there was no excessive money supply in the system that could stoke runaway

inflation. Since a large part of GDP consists of domestic consumption, I see a healthy growth path during the year. It's predicated on the following factors:

- Low level of corporate taxation after the reform in direct taxes.
- Stabilised GST system that is now showing result in the form of higher tax revenues.
- Large amount of spending on infrastructure projects through PM Gati Shakti Program.
- PLI scheme is already showing results and manufacturing would get a further fillip on account of this, as well as on account of rebound in domestic consumption. This will also bring a larger chunk of global supply chain into the country, and create a new set of diverse demand drivers.
- Services sector is rebounding sharply with IT sector's unusual growth curve. We also see recovery in freight, travel and hospitality.

One of the important factors I would like to underline is, previous global crisis had seen Indian financial and banking sectors severely impacted; whether it was before global financial crisis or earlier. However, reforms, tighter regulations, financial inclusion and introduction of technology have ensured that the Indian financial sector today is in a position to fuel growth through great expansion and bring innovation through FinTech's. Digitalisation at a large scale and formalisation of economy has made the financial sector more transparent, competitive and improved its reach. The capital market is vibrant and well-regulated and the insurance sector has been opened up. I strongly feel, underpin the growth of the Indian economy over the next few years. Furthermore, with both the RBI and government taking measures to combat, inflationary measures, retail inflation is likely to moderate in the months ahead providing further support to consumer demand whether any major global shocks. Therefore, I'm not surprised at a projection of growth of 7.5% recently by World Bank for 2022-23 inspite of global headwinds. Your Bank as always, will continue to be a partner in this phase of the country's growth as well.

Let's now take a look back at the year - The Bank had delivered well on its plans for 2021-22 and is committed to creating long term value for its shareholders.

Our performance has been - I'm happy to share that as a Bank, we continue to have a very strong balance sheet, asset quality that is among the best in the industry, and sufficient capital buffer available to take advantage of future opportunities. We maintain and exceed the required standard of liquidity and capital adequacy, and monitor the liquidity scenario closely. Our operational performance continues to be healthy, with greater focus on our traditional prudence, as we successfully navigate the challenging conditions brought on by the pandemic and external shocks that I have talked about earlier. Our focus on 'consumer first' remains unwavering. For a very large customer base that we have, I do understand that there are grievances sometimes. Let me assure you that there is a very sound system in place for addressing customer complaints. Your Bank has also realigned the employee incentive at the cutting-edge to make it more responsive to the customer needs. The Bank is also scaling up net promoter system implementation as a customer response measurement too.

We continue to invest in technological capabilities, creation and have significantly strengthened our ability to serve our customers better. We continue to expand our distribution footprint in terms of our physical branch network, as well as, new digital journeys that have been launched. We are also investing to ensure we have the right talent to take advantage of the market opportunities.

Now, let me update you on our stellar performance for the last financial year. The Bank recorded an improvement in majority of its key financial parameters, largely on account of its traditional prudence, adopting new styles of working and enhancing customer delivery.

- Net Profit at ₹36,961.3 crore was up by 18.8 per cent;
- Net Interest Income ₹72,009.6 crore rose 11.0 per cent; while
- Net Interest Margin stood at 4.0 per cent
- Gross Non-Performing Assets (NPAs) at 1.17 per cent, was among the lowest in the industry

Our commitment to shareholders remains high. With the proposed dividend payout of Rs. 15.50 per equity share for the financial year ended 31st March, 2022, will come up for approval of shareholders today. We continue to enhance our pipeline of products and services to stay competitive, while adding over 90 lakh new customers during the year taking the Bank's customer base to just over 7 crores.

Inspite of challenges in the operating environment, the Bank opened 734 new branches over the last year. As we endeavour that an increasing number of underserved areas have access to a Bank, we are also conscious of evolving need of modern consumers and are catering to future branches being equipped to be Phygital relationship centres. Our growth drivers, our retail assets, commercial and rural banking, corporate banking, government and institutional banking, wealth management and payments; I'm happy to state that we have made progress across all of these. Alongside, focus on technology remains to maintain a competitive edge in customer service, product innovation, as well as secure banking practices. We are also harnessing the strength of various digital platforms developed by FinTech's and other startups for a larger customer base to improve the reach of the Bank and innovate new products. The Bank also proposes to harness the strong growth visible in semi-urban and rural areas of the country. We do not see priority sector lending merely as a regulatory requirement, but see this as a profitable product offering and would continue to lay stress on this. Towards this end, we also believe that there is a big opportunity to take the Bank to several underbanked areas in the country. The Bank would look at opportunities to further expand the current network of over 6,000 branches to help enhance its liability base, vital for pushing the credit growth. The pace of growth also means that we will add necessary manpower to cater as and when needed to the already growing customer base of over 7 crores.

We met last year under the shadow of regulatory action as customers had some difficulty in accessing our products and services. However, I'm very happy to state that, over the course of last year, we have worked closely with the regulator to ensure adherence to the highest standards of compliance. We are happy to share that restrictions on your Banks are completely lifted following the progress we made on our technological investment processes and governance. We also utilise the time to draw plans to meet the evolving digital requirements of our customers. The transformation journey for the Bank is a holistic approach that will not only add new digital platform capabilities, but also look at strengthening as well as replacing our legacy systems, brining in new age skill sets and strengthening overall security environment. We are also working to enable new-age consumer experience by partnering with modern new tech. Under our technological transformation agenda, we are investing to run the Bank as well as build a future ready bank.

Sustainability is a core value of HDFC Bank. Our philosophy has been to create long term sustainable solutions. As an organisation, we have been committed to making a difference in the lives of marginalised communities, particularly in rural areas, while contributing to globally sustained

development goals. I'm delighted to share that through HDFC Bank's flagship CSR program Parivartan, we have potentially impacted lives of 9.6 crore Indians till date. Mindful that our actions matter for our future generation, we are committed to a healthy and a better planet and accordingly, we have introduced a comprehensive ESG assessment framework for our corporate lending as well.

People are our biggest strength. They have often gone beyond the call of duty at great personal risk, to ensure that we are able to serve our customers through the pandemic. We are deeply saddened as we remember those within our ranks who are no longer with us. To ease the financial burden of affected families, your Bank has structured and delivered a compassion package to the families of the deceased. As an organisation, we recognise the value in ongoing development of our people and have ramped up learning and development program of our employees. In order to ensure that incentive structure is in line with the organisational objective, your Bank has recently introduced restricted stock options scheme for a very large number of employees that will give them a strong sense of connect with the Bank. HDFC Bank is firmly committed to being a more diverse and inclusive organisation, and accordingly, the percentage of women in the workforce is continuously increasing.

Merger – as you may be aware, your Bank has announced a composite scheme of amalgamation of HDFC Limited along with its subsidiaries into HDFC Bank Limited on April 4, 2022 subject to various regulatory approvals. We have spoken on several occasions about the rationale and merits of this merger, so I'm not recounting that. Housing finance is going to be a huge growth opportunity and one of the key drivers of India's GDP growth over the next decade. With the advantage of lower cost of funds and strong distribution network that we have built among several other factors, there is huge merit in ceasing this opportunity. A large and more stable balance sheet that the merger would create would also enable us to step up our exposure and facilitate higher trade growth in the economy. We have made necessary applications to various authorities in this regard. The board is closely monitoring the merger proposal for approval of various aspects of the merger as required by the legal process.

To conclude, I would like to summarise that, given the anticipated resurgence of growth in GDP, the huge scale of banking opportunity in India, the enormous strength of our franchise and our resilient balance sheet, believe that we are extremely well poised to leverage the immense opportunities that lie ahead of us. We'll achieve this by staying true to our core values of customer focus, operational excellence, product leadership, people and sustainability, as well as, adhering to the highest standards of corporate governance. Before I conclude, I would once again like to assure you that your Bank has in place the strategy and the roadmap to achieve growth, stability and profitability.

Last but not in the least, on behalf of the board members and the management, I would like to express gratitude for the guidance and support we have received from the Reserve Bank of India and other government and regulatory agencies, as well as our employees and our esteemed shareholders. Thanks very much for bearing with me patiently.

Now, this AGM is being convened solely for the adoption of financial results of the Bank and transacting certain other business as specified in the notice. I would request you to restrict your questions pertaining to the same. We have been advised by our lawyers that deliberation on the proposed amalgamation of HDFC Limited with the Bank shall take place at a separate meeting of shareholders to be convened under the directors of National Company Law Tribunal (NCLT). I therefore would request all shareholders to kindly restrict discussion at

this AGM only to queries pertaining to the performance of your Bank, as well as the agenda for the day while the query on merger would be taken up separately in another shareholders' meeting.

Now, I'd like to invite shareholders who have registered themselves as speaker shareholders, to express their views at this meeting. May I now request the moderator to invite the speaker shareholders in order of their registration. Thank you.

Moderator:

Thank you, sir. Before we begin, let me quickly take you through the protocol. We will call the members one by one and on their turn, the speaker shareholders will be unmuted by the host. Speaker shareholders are requested to click the Video button appearing at the bottom of their screen before they start speaking. If a speaker shareholder is unable to join through video mode for any reason, then he/she can speak through audio mode. Speaker shareholders are requested to use earphones to minimise any noise in the background, ensure that wi-fi is not connected to any other devices, no other applications are running in the background and that there is proper lighting to have a good video and audio experience. If there is a connectivity problem at the speaker shareholder's end, then we would ask the speaker shareholder to wait for a while and invite the next speaker shareholder to join. Once the connectivity improves, the said speaker shareholder will be called once again to speak after all the other registered speaker shareholders have completed their turn. I would also request the speaker shareholders to kindly limit their speech to a maximum of 3 minutes. Let us begin with the Q&A.

Inviting the first speaker shareholder for the day, Mr. Ratanchand Surana.

Mr. Ratanchand Surana – Shareholder:

Hello, am I audible?

Moderator:

Yes, sir, you're audible.

Mr. Ratanchand Surana – Shareholder:

Good afternoon Mr. Chairman, Mr. Sashi Jagdishan – the Managing Director, distinguished members on the board of directors and Shri. Deepak Parekh. To start with, I would like to congratulate the Board of Directors for making a very wise choice of promoting an in-house member who have worked with this Bank since the foundation (Incorporation). I must congratulate them for this, as well as for not imposing an outsider on the Bank. Now I proceed with some few questions on the financial statements. Though the financial statements are very elaborate, but some of the figures which I see on pages 255, 256 regarding the provisions - there is a word used 'reduction', 'recoveries'. It does not explain what that reduction means. Is it a recovery or something else? Now I will just focus on GNPA on page 255-256. It has gone up by 67% during the current year. The reduction in NPA has gone up by 89%. Excess provision reversal is 42% of the profit, which looks to be very significant. Does it signify that the estimate of the provision was not reasonable? The fresh provision made during the year has gone up by almost 35%. The net NPA addition has increased by almost 300%. Recoveries is 254% increase, which is really excellent. I would just request the

management to explain what does these words reduction, recoveries or write off figures if separately available. Of course, I do not want that you should waste your time in the AGM, you can always send it to me because my E-Mail ID is available with the Bank. The second thing which I would like to know from the management, as we are not supposed to talk on the merger, I would only want to know, has the board considered a demerger or listing of HDFC Securities and HDFC Financial Services? Now I will come to the general - I will just take another 3-4 minutes. The Bank has performed excellently as given on page 134, I do not want to repeat it. The growth in June quarter, as it was updated, advances has increased by 21.5%, deposit 19.3%, CASA 20%. I'm sure the management would explain the Quarter June result which has just been approved today by the board. Now, this sort of performance in a pandemic year where the whole world is affected and we just saw the JP Morgan result which was horrible, but this gives tremendous confidence in the Bank's management's ability to monitor advances and deposits and continue to grow with a reasonable level of provision. I was reading on page 133 about the mission and strategic focus. It is stated that the Bank did not lose human touch with customers in these difficult times, which I would really agree. Because It is not only during the pandemic times, I remember even during demonetisation when there was a huge rush outside the Bank. I deal with Dadar TT branch, they provided senior citizens with chairs, biscuits and all. And during this time, this pandemic, on 26th of January, I would just like to explain something about the human touch. On this 26th of January, my wife suddenly took ill and my credit card was not operational. I called Smita Kanchan, the Dadar TT branch manager and to my surprise, she immediately made arrangements to make sure that my credit card becomes operational immediately. That's why I'm saying that, whatever is stated on page 133 about the focus of the Bank, is really-really excellent. I just want to get confidence that the excess provision made is on a prudent side or is it something else? Thank you very much all the shareholders and the management. Thank you. *Jai Hind!*

Moderator:

Thank you for your question, sir. Inviting the next speaker, Mrs. Ashalata Maheshwari.

Mrs. Ashalata Maheshwari – Shareholder:

Can you hear me, Mr. Chairman?

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Yes, we can hear you Ashalata *ji*. Please go on.

Mrs. Ashalata Maheshwari – Shareholder:

Respected Chairman sir and all distinguished directors, I am Ashalata Maheshwari. I really wanted to meet you all and I firstly Namaskar to all of you. Mr. Chairman, I wanted to give you a flower, but because I couldn't do so in this meeting, I pray to God that you always be fragrant like the flowers. After that I saw the balance sheet and saw that it was a very good balance sheet. The profits have really increased, our earnings per share has increased, the deposits have increased, gross NPAs have reduced and the dividend, as always, is good. Even in such bad times, you've done good work and shown good performance. Mr. Chairman, I pray that this company is kept away from any evil eyes. I have two words – that the time has come when your hard work has borne fruit. May you always succeed this way and may we always congratulate you. Mr. Chairman, I really liked your rural

development program. In that you have mentioned that 1,000 villages will get clear energy, 2 lakh acres of barren land will get water, crores of trees will be planted and 2,500 smart schools will be built with which the farmers will really benefit. Mr. Chairman, you have surpassed all the other companies. I've been to other companies, but I've never seen such good work anywhere else. To that I would like to say, there's chaos in the sky wondering who is this person with a moon-like face who is doing such good work! I told them that our Chairman, our MD and our board, all resemble the moon and all are hardworking. You are being praised right upfill the sky. You will get a lot of good wishes from the poor and the farmer community. In your employee growth, I noticed that you have a female strength of 21%. When will this touch 30%? I wanted to ask you a couple of things. Since you are putting so much focus on internet banking, please make sure the frauds are reduced. And even in such cases, do ensure some compensation for the customer. In your social work, do consider us senior citizens too. Please consider a concession on medicines for senior citizens who have been with you for over 10 years. Lastly, I saw the balance sheet and noticed that all the photos are have a smiling fact, apart from yours. Why are you not smiling? Forgive me, but I have two lines to say on your photograph. Please ensure that next year, you smile in your photograph. May the buds smile when they see you, may the fireflies smile when they see you, may the night flower smile seeing you and may you shine brighter than the moonlight. I'm sure, you'll listen to this and smile in your next year's photo. See, everyone is smiling right now. I salute all the employees who are working so hard together. I would also like to appreciate our Secretary who speaks so sweetly. If everyone in the Bank speaks like him, imagine where this Bank can reach! Now that the merger is going to take place, please ensure the Secretary makes sure everyone speaks as sweetly as him. I appreciate all the employees and executives who are working so hard together. In the end I would like to say, may you always achieve success this way that one day you'd create history. And may you fulfil every promise that everyone in the world admires you. I salute and bless all the employees and executives and all I have to say to them is, 'Jai ho!' With this, I strongly support all your resolutions. I wish you all the best and all my blessings.

Moderator:

Thank you, ma'am. Inviting the next speaker, Mrs. Hutokshi Patel. Ma'am, I request you to turn on your camera and your microphone. Are you there, ma'am?

Mrs. Hutokshi Patel – Shareholder:

Hello? Hello?

Moderator:

Yes, ma'am, you're audible.

Mrs. Hutokshi Patel – Shareholder:

Thank you. Respected Chairman, Mr. Sashi Jagdishan – MD & CEO, Mr. Kaizad Bharucha, *[break in audio connection]*

Moderator:

I'm sorry to interrupt you, ma'am, but your voice is not clear. In case you can make any changes in your settings, I'd request you to do that.

Mrs. Hutokshi Patel – Shareholder:

Can you hear me now?

Moderator:

Yes, that's better. Thank you, ma'am.

Mrs. Hutokshi Patel – Shareholder:

Please tell me if you don't hear me. Respected Chairman, Mr. Sashi Jagdishan – MD & CEO, Mr. Kaizad Bharucha, the executives on the board and other attendees. A very good afternoon. I thank Mr.
[break in audio connection]

Moderator:

Sorry to interrupt you once again ma'am, but there seems to be some issue with your audio. We request you to connect once again. Chairman sir, with your permission, can we please move on to the next speaker for now?

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Yes, please.

Moderator:

Thank you, sir. Inviting the next speaker, Mr. Aloysius Mascarenhas. Sir, can you please turn on your audio?

Mr. Aloysius Mascarenhas – Shareholder:

Hello, can you hear me?

Moderator:

Yes, sir, I can hear you.

Mr. Aloysius Mascarenhas – Shareholder:

Can you see me?

Moderator:

Yes, sir.

Mr. Aloysius Mascarenhas – Shareholder:

Respected Chairman sir, very distinguished members of the board and my fellow shareholders, good evening to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management, Company Secretary and his team and the registrars for sending me the balance sheet which I received on time. It is exhaustive, adhering to all parameters required for good corporate governance. Our results are excellent, as shown by facts and figures in place with beautiful photos. The 10-year highlights which is shown in the balance sheet on page 120 gives us a detailed history of the company year on year for the last 10 years. All the increase in PBT, PAT, dividend income, dividend payout, ROC, all ratio analysis, everything is shown on page 120 with the historical background. Also, you have given 24 highlights, milestones, which is worth seeing the progress of our Bank. I think, it is one of the best Bank India has ever produced. Now here I would like to know sir, what is our future plans? How many new branches will open? As it is, we have 700 odd i.e. 734 branches. How many new branches are you going to open or launch in India? Also, have we any branches abroad? If so, in which countries do we have our branches, I would like to know. Where do we stand in the 1 to 5 ranking in the Indian banking industry and what is our market share? I'm very happy to note about our CSR activities and good risk management. I would like to know, what is the effect of the current RBI policies on our Bank and are the government policies affecting our banking sector? Sir, many questions have been asked by my predecessors and many more will be asked by my succeeding shareholders, so I would like to stop here. Wishing you personally, all the board members, and more importantly, all the employees, all the very best in the days and years to come. With this sir, thank you very much for your patient hearing. Mrs. Mascarenhas will speak now.

Mrs. Celestine Mascarenhas – Shareholder:

Hello? Hello?

Moderator:

Yes, ma'am, please proceed with your question.

Mrs. Celestine Mascarenhas – Shareholder:

I'm Mrs. Celestine Elizabeth Mascarenhas, registered. Respected Chairman – Atanu Chakraborty, MD & CEO – Mr. Sashidhar Jagdishan, members of the Board and my fellow shareholders attending this virtual meet, I am Mrs. C.E. Mascarenhas attending and speaking from Mumbai. First of all, I thank our Company Secretary Mr. Santosh and his team, the previous speaker said this and I too endorse this view, that he is always very calm and patient to every query we ask. I like it. Sometimes we phone him when we're upset and so coolly he attends. I like the way he is *[break in audio connection]* speaker at my request and giving me this beautiful platform. Now I go to the balance sheet, very good document, very well documented, and of course, adhering to all the corporate norms. The working this time is stellar. PBT and PAT is up. EPS is also up. There is good dividend of Rs. 15.50. NPA has come down, that's a real highlight. CAR 18.9, very good. EPS is also up. Next, I congratulate you for all the awards and accolades received during the year. Also, I appreciate the CSR work done by HDFC Bank and the team. Also, I appreciate that we are becoming ESG compliant. With this, have we done the rating? If it is done, what is our rating? Can you name the rating agency

and the rating we have received? Sir, I would like to know how much of carbon footprints we have reduced during the year? Now my queries. Total employees are 1,41,579. What is the attrition level? Next is, our total branches are 6,342. Any added in this quarter? See, the maximum outlets are in the rural areas i.e. 1,147 branches are in rural. Any more are to be added in the rural zone, because rural is now really going up like anything. My next question is, what is the FCNR rate of interest? As RBI has asked all the banks, private and nationalised, to get more of FCNR deposits for wading off the Rupee going down and down. My next query is, we are in wholesale banking, retail banking, loans, treasury, etc. Which gives us the maximum margin compared to the capital employed, as day by day capital cost is going up because of higher rate of interest? My next question is, page 48 to 51, various types of risks are given so beautifully, namely credit risk, market risk, compliance, operational risk, climate risk, liquidity risk, information technology risk, cyber security and data risk. Sir, I would like to know, among all these risks which are named there, which is the one which is the most difficult to handle and how do we handle this? Mitigation is given. With HDFC Limited merging with HDFC Bank, I'm just saying an outline - the total capital will rise. Will our market capital also become more than double? I would only like to see it doubling more than that with the merger. And my question regarding the merger is, why did we find that this is the best time for the merger? Would it not be after 5 years or earlier than 5 years, I would like to know a bit on that. Rest, I have supported all the resolutions. I wish my Company, my Bank all the best. We shareholders are the backbone, the management is the brain and our staff are the hands of the Bank. So, I wish all of them the best. We are one big institution with HDFC Limited with it. With this, thank you very much. May God bless you all. Thanks once again.

Moderator:

Thank you, sir, thank you, ma'am for your questions. Inviting the next speaker, Mrs. Homayun Pouredehi.

Mrs. Homayun Pouredehi – Shareholder:

Hello, can you hear me?

Moderator:

Yes, ma'am, you're audible.

Mrs. Homayun Pouredehi – Shareholder:

Hello, good afternoon everybody. Well, we are all shareholders right from the inception of the company. We had purchased - we, the shareholders of HDFC Limited were offered HDFC Bank. We are shareholders since that time, those days; very old shareholder. Now of course, we heard your presentation very well *[break in audio connection]* the company. But I have to say one thing, though I was told in the presentation not to mention it, I'm concerned so I may just mention one line. Regarding merger of HDFC Limited and HDFC Bank, I hope the market cap becomes double.

I just want to caution you all. We had very bad experiences with mergers! When Vedanta merged with Sesa Goa and other companies, we stopped getting dividends and we were getting such good dividends. Sesa Goa and other companies. Subsidiary of SBI got merged with SBI. We were getting

very handsome dividends in the subsidiaries, like, State Bank of Bikaner and Jaipur and so on. It got merged with SBI and not one single paisa dividend distributed. Well, I am just cautioning you all, I am just drawing your attention. Before you start, please be careful, please think of Banks' shareholders. Of course, we have great faith, we know who the management is. So, this will not happen in our company.

Another thing is regarding now are all the employees are working in the Bank? Because during pandemic they were not, they had to provide the same services, but all the employees could not work in the Bank. It was as per rules and guidelines. But still I tell you they managed so well. Now regarding internet. We go to the Bank, they say the system is down, internet is not working. Please find solution to this problem in this age of digitalization, please. Another thing I will just appreciate; your ATMs always work. There is an ATM here, when I go to Peddar Road, HDFC. Everybody goes there, it always works. Keep it up. There is another ATM just next to my house, it never works. Another thing is, you have mentioned that we have opened more than 700 branches. Sir, how much time it takes for one branch to break even? Does it depend on the city or the area or the town or the village where the branch is? We want to know.

And that's all I have to say. We are very proud of our Bank. We wish our management all the best and looking forward to still better performance, still better market cap. Thank you very much.

Moderator:

Thank you, ma'am. Inviting the next speaker, Mr. Adil Irani.

Mr. Adil Irani – Shareholder:

Respected Chairman, Managing Director, all the other directors and my dear staff of HDFC Bank, thank you very much for allowing me to speak. Of course, I have bought the shares of HDFC because of Deepak Parekh basically, and I am holding those shares. Only now the son is going to take over from the father, basically. So, we are only going to have HDFC Bank, original HDFC no longer to be there. And I'm a proud account holder with your account holder with your Malabar Hills branch. The staff over there are very good, very efficient, especially Pampa Das and the cashier Mr. Sachin. They are basically all good. I think they are doing more business in that small place than Union Bank a little down the Malabar Hills. The space in Malabar Hills of Union Bank maybe to 5x more but in the business, maybe HDFC Bank is doing 10x more. I mean, basically the staff is not even afraid of sharing their mobile numbers, where as in these other banks like, Central Bank and Union Bank they don't share the mobile number. So, it becomes difficult for old people like us if we have any queries. And all the good things that have been said by the previous shareholder, I will not repeat all the good things. Again, thank you very much for everything. That's it. Thank you.

Moderator:

Thank you, sir. Inviting the next speaker Mr. S. Raman.

It appears that Mr. S. Raman has not joined us yet. Chairman Sir, with your permission I invite the next speaker Mr. Gautam Tiwari.

Mr. Gautam Tiwari – Shareholder:

Very, very hearty compliments to the honourable Chairman sir, distinguished Board of Directors and all other eminent Directors, team HDFC Bank Limited and my respected fellow shareholders, I am Gautam Tiwari attending the meeting from Mumbai. Dear sir, hearty congratulation to you all for one more grand year of success. Sir, I really wanted to meet you in person and gift you with flowers but due to Corona, it has all changed. Sir, I would also like to congratulate each and everyone involved in the preparation of annual report notice, which is very informative, well designed and colourful and dispatched in due time.

Sir, our secretarial department headed by Mr. Santosh Haldankar and their associates Laxmi Nandikesan, Karishhima, Kashish, Nirav all are giving such a service which is really outstanding and Mr. Haldankar, he is so polite, so humble. We have not seen a single shareholder having come with any issue or any problem and going back again with the same problem. Anyone who has come with any problems has gone smilingly with total satisfaction after getting the problems solved. We really thank our secretarial department for such a humble and excellent service. Also, sir, the services of NSDL and the Zoom technical team and our moderator is so nice, so co-operative and assisting the shareholders really well, speaker shareholder rather to attend the AGM virtually. It is also really also outstanding. I'm really thankful to all the service personnel and especially thankful to the management for choosing such an excellent service provider for shareholders, stakeholders and investors.

Today sir, I thank the Bank's management for paying Rs. 15.50 p per share dividend on face value of Re. 1. You have told us not to ask any question about employees. But just one small thing which is there in my mind. Sir, merger of HDFC Bank and HDFC parent company limited is going to take place. But the employee's retirement age in HDFC Bank is 50-60 years whereas HDFC parent company it is 58 years. So post-merger what will be the retirement age of employees? Sir, I congratulate the Bank for winning various awards and accolades time and again, and for excellent CSR activity specially for the development villages and construction of schools in rather rural areas which are very much useful to the public at large and helpful to the public at large. I congratulate the Bank for identifying such excellent CSR activity areas and locations for doing this extraordinary service to the society and the community overall.

Sir, Bank should really do something for senior citizen. This is the suggestion, sir. This is very important. We have been there with you right from the inception of the Bank and with all the HDFC Group of companies. Our company is doing excellent CSR activities, but sir, please do something specially for the senior citizens who have attained the age of 60 - 70 or more, especially for the medicinal purposes and others as wished by one more shareholder. Sir, congratulations to the Bank for reducing NPA and for trying to become ESG compliant in future. Dear Sir what is the attrition rate of FY 21-22 of our Bank employees? Why in-house share transfer activities were outsourced, sir? And sir, are you planning to give special dividend as gift to the shareholders? Sir, how many physically challenged employees do we have in our Bank? And sir, the strength of women employees is less *[break in audio connection]*

Sir, supply chain constraints during the COVID period has impacted our business to what extent? Important thing, sir, how many frauds have been noted in our Bank? I wish none of it. And how many complaints we have received and how many are remaining unsolved and how many has been solved? Sir, all the employees, all the staff, right from top to bottom are giving excellent hospitality and

excellent polite service in almost all the branches of our HDFC Bank, for which we are really thankful to all these employee staff and executives and officers, whom so ever are the staff of the Bank. Sir, I support all the resolutions, also I support all appointments and reappointments of our Director and have already voted in favour of them in advance. And you have our total trust, confidence and support, and we'll keep on supporting the management as we were supporting people till we breathe our last. And of course, I wish you a happy, healthy, wealthy and long and durable life, and wish you a bright future.

Sir, one more thing that I must say, Mr. Jagdishan, our MD and CFO has done an excellent work and has brought the Bank to this level where we are standing now. With this, I once again wish you all the best, a very bright future and a long, happy, healthy, wealthy life to all those who are connected with us in future to come. Thank you very much sir. God bless you, sir with the happiest fortune and happiest blessings, sir.

Moderator:

Thank you, sir. Inviting the previous speaker Mr. S Raman.

Mr. S Raman – Shareholder:

Good afternoon, sir. This is totally, a purely personal affection to the Chairman. There are people who can compliment you on each and every customer service. I'm here a customer who has been harassed. I have written to Mr. Sashi Jagdishan, Mr. Parag Rao, for an appointment for 10 minutes, they have not even responded. I have written to Mr. Parag 17 times, because they are competent speakers to speak about the annual reports and everything. Mr. Santosh had entered into this picture, he was a close friend of mine for the last decade. I am a customer with a Bank for two decades, I'm a customer with your parent body for three decades. My wife passed away two years back. I wrote to your Bank, your branch manager has the audacity to call and tell me that despite 70 years of age, during the pandemic period, he wants me to come the branch and show him the original death certificate. This is the way you have customer service? Tell me sir. I will be the happiest person. I said close down my account, that also he is saying, 'you have got a demat account' and the demat account is deactivated. After 1.5 years of exchange, they have deleted my wife's name from the joint account. Nobody's going to come to you to tell that my wife has passed away and give you a death certificate. Even the courts of India, Government of India, Reserve Bank, everybody is accepting email communication. What stops the Bank from accepting an e-mail communication? I have written in this regard to Mr. Jagdishan. Since he is a south Indian, and I thought I being a south Indian he may be able to help me out. Mr. Srinivasan who is Board member, is also a close friend of my brother-in-law. I tried, nobody answered. It takes 18 months to delete the name. This is the customer service, pathetic service [*break in audio connection*] that you just give the delivery code. When we give the delivery code, he says, 'you give me a proof of identity'. I'm a resident of this place for 20 years. The Bank has got all the records; he is a third party. Your agent is not the person. The Bank has got all the records and the Bank is sending me some document. I do not know what document had come to me. This was delivered to me on 9th of March, I'm still to open to it because your Bank has sent an SMS to me saying that it was snatched by me from the courier. I'm a senior citizen of 70 years. I have an honesty to my name. I come from a family of religious people who obey the God, okay? I just asked for withdrawal of that 'snatched message'. It has not been withdrawn despite four months. I am yet to open.

I don't have any fancy to any credit card or a debit card. I don't have anything. This is the way you treat the customer, okay? I don't want to appreciate anything because the people like Ashalata Maheshwari, Surana, they know much better about the annual report whom I have dealt with for the last 30 years, okay? In the bargain, I will say I am ashamed with the behaviour of Mr. Parag Rao and very, very happy with this that Santosh has spoken to me. I went all the way to meet him and he could not meet me. He put somebody else and I met them, I conveyed it. After that, I received an e-mail saying that you just ignore the SMS. Ignore is not a proper word. You have accused me by saying that I have snatched it from somebody. And after you shared the mobile number to the BlueDart courier, I received about 12 SMS and phone call saying that my accounts are being blocked, no numbers. I have forwarded them to the branch also, no action is taken by the Bank. I went to the Bank to deposit some money there, the number two person in the branch said the deposit receipt will be with the Bank. You will not have to come and collect it after eight days. On the third day, the deposit receipt is delivered to me at my house. This is the level of your staff at number two level in the branch. I have nothing against any particular individual, please increase their knowledge on how the Bank functions. I have nothing against any individual. Every now and then I cannot go and knock the doors of Mr. Santosh Haldankar, a very good friend of mine because I was also associated with the same profession for the last 40 years. Now leaving retired life, waiting for my last day, waiting for the return ticket to be confirmed by God to see my wife there, and this is the harassment your Bank is giving. Please don't harass. If Mr. Jagdishan wanted to meet me, let him give me an appointment on any day at your cost not at my cost. I can't spend money. I have to come all the way to Thane to Worli afternoon after 2:00 PM because up to 1:30 I am busy every day, cooking, brooming and everything. Thank you very much.

Moderator:

Thank you, sir. Inviting the next speaker Mr. Aspi Bhesania.

Mr. Aspi Bhesania – Shareholder:

Sir, the first quarter was quite good year-on-year. But quarter-on-quarter it was slightly down and if you see segment results, treasury profit was very low. Is it due to the M to M losses? Even retail profits have gone down quarter-on-quarter, whereas year-on-year it has gone up. So how do you see the current year going forward? And after merger of HDFC with us, sir the housing loan portfolio increased to such an extent that we won't be able to give any further housing loans. That's what somebody told me. So, if you can clarify whether we can give housing loans after the merger or not till we reach that threshold limit? Thank you, sir, and all the best.

Moderator:

Thank you, sir. Inviting the next speaker Mr. Ajay Venkatesh Bhagavath.

Mr. Ajay Venkatesh Bhagavath – Shareholder:

Good afternoon to all. My name is Ajay Bhagavath. Apart from being a shareholder of this Bank I was an employee of this HDFC Bank for the last 16 years. For the last 9 years, I was in Crawford Market branch as branch operations manager. In that period, three years back, I had collapsed in the branch during office hours. I have gone angioplasty with 4 stents placed in my heart. So, after that in

2020, I requested Geethaa G, I did not request Vinay Razdan, I requested Parag Shah to transfer me to some lighter job. But these two people didn't bother to help me out. Then, I had suffered from diabetes also and later on, on 28th of September I collapsed due to high blood pressure in the branch during working hours in front of customers *[break in audio connection]*, I collapsed and I was admitted to GT Hospital.

All the three years' reports I forwarded it through email to Vinay Razdan, to Mr. Sashi Jagdishan and to Parag Shah, but it has gone to deaf ears. This how you treat your staff. For 16 years, I've been working, slogging and during the pandemic for two years, every day I used to change three buses during the pandemic time and I used to attend office at Crawford Market from Dahisar East. I just wanted to request Mr. Sashi Jagdishan, the MD to continue giving mediclaim facility. You all are giving so much shares of profits to all the rural areas. But the staff who worked for 16 years, who has spent so much like, 12 hours slogging in the branch and with no adverse audit comment and still I was requesting Parag Shah, Vinay Razdan and Geethaa G to continue giving medical benefit. I retired because no one bothered to give me a transfer to a lighter role. I had three years of service still left and my wife is a housewife. I am still starving because I don't have any other income. So, I wanted to work, but these people never allowed me to work. That Parag Shah is a hopeless person in this world, hopeless person, let me tell you. Even the day when I resigned I had forwarded my reasons because no one gave me a lighter role and I was resigning. Still, I was not taken care of you know. Even when I collapsed in the branch I was taken like a dead body to GT Hospital and there I took a personal discharge and consulted my cardiologist and all these reports, I've got four stents in my heart, now diabetes and high blood pressure after 16 years and 36 years in banking. I started my career with Standard Chartered and now at the fag end of my career, these people have not supported me. Is this the way you all treat your staff? *[break in audio connection]* 12-12 hours, and all audit comments during me as a branch operation manager at Crawford Market branch. My employee no. was A6132, A6132. Please make a note of it. My medical benefits, I'm asking you all, requesting you all to please continue giving because I have no other income, I don't have any other source of income. I was forced to resign because no one was transferring me to a lighter role. How can you keep the staff slogged up?

During pandemic two years also, three buses I used to change, and from Dahisar East I used to come daily to Crawford Market branch. You know that area, you know the customer base also there. It is so horrible, but still I did my duty religiously. I have done my B.Com, L.L.B, CAB also. But all this qualification has gone to waste at the age of 57 when I retire, I requested the management, to Parag Shah also and to Utkarsha Trivedi, Utkarsha is a hopeless lady, that to please continue giving me medical benefits. I will pay the premium but whatever you all give after the person who retires at the please continue at the age of 57 because why did I retire, because you all didn't bother to give me a lighter role. Still I can work. Now Ashokan branch has also been opened. If you all give me an opportunity, some work at least I will earn something. You know, how I have to take out my days? If my longevity is till 80 years, how will I survive? Because here we don't get pension, in private limited bank we don't get anything. Whatever was Provident Fund, I got everything. But with that, and the rate of inflation, I won't be able to survive much. Should I take to suicide? Is it wrong that I have been a staff of HDFC Bank?

One more thing Mr. Sashi Jagdishan, for last 16 years, I have not been promoted. I was in a part of Centurion Bank. Because of the merger I came to HDFC Bank and I didn't get a single promotion. Very shame on you all. B. Com, L.L.B, CAB and 18 years in foreign bank I have worked, but no regards to that. I have collapsed in the branch and the security guard is taking me like a dead body to

GT Hospital and admitted me and they paid expenses. But the branch manager, Himanshu Srivastava didn't bother to come and meet me also. I took the discharge, took the taxi and went by myself. In 2021, September 28th, I collapsed due to high blood pressure – 180/220. But still not one bothered to come and see me also in the GT Hospital *[break in audio connection]*. I am asking for mediclaim benefits to be continued as a staff because if I would have retired at the age of 60 I would have got the medical benefits. Now, I don't have enough money also and if you give me the medical benefits, I will be highly obliged sir. It is my humble request. Please continue to give the a fixed, continue to give me the medical benefits, sir, because I have no job, nothing. I am sitting at home, sitting idle. But I wanted a lighter role, at least I could have continued for 3 more years and I could have got some salary, my maintenance and everything - I could have eaten some good vegetables and fruits. But now with this balance provident fund and FDs I can't survive for a long time. My wife is serious.

I asked for sabbatical leave. That was also not given to me. Shame on you. Instead of that they are telling me to leave early. Is this the way you all treat your staff? Please on humanitarian ground at least support me. With folded hands I am requesting the Chairman, the MD and to all the Board of Directors to please have mercy on me and please give me medical benefits to be continued till I die. My wife is a housewife. I don't have any other income. This was the only job and still I had to leave because of the Parag Shah, God will definitely teach him a lesson and that Utkarsha Trivedi, God will definitely teach them a lesson. I was a branch operation manager for 9 years and no adverse audit comments. Thank you all. But Mr. Sashi Jagdishan sir, my humble request to you please approve to give me mediclaim benefit sir, please. My humble request with folded hands. Chairman sir, it is my humble request. 16 years I have worked with HDFC Bank, not a single promotion. For the last 4 years I didn't get increment also. After Vinay Razdan came, at least I used to get some 60,000, 70,000, 80,000 bonus, and all. But before that no increment, nothing because I reached at par and all those things. No promotion, nothing. What is the motivation level? Still I did my duty religiously. During the two years of pandemic, I used to come to the branch daily, give proper customer service. I used to write on Twitter also, but no one replied me on Twitter. *[break in audio connection]*

Mr. Atanu Chakraborty – Chairman, HDFC Bank:

Bhagavath, maybe other speakers are also waiting to speak. So, you may conclude please.

Mr. Ajay Venkatesh Bhagavath – Shareholder:

Yeah, thanks a lot. But I would humbly request you all to please approve medical benefits to be continued to me as if I am a retired staff. Please, that is my humble request. I hope you got my point. Thank you.

Moderator:

Thank you, sir. Inviting speaker, no. 12, Mr. Vinay Vishnu Bhide.

Mr. Vinay Vishnu Bhide – Shareholder:

Can you hear me?

Moderator:

Yes, sir, we can hear you.

Mr. Vinay Vishnu Bhide – Shareholder:

Chairman, Mr. Chakraborty, Sashi Jagdishan – MD and CEO, esteemed Directors present on today's AGM, fellow shareholders, company executives, good afternoon to all of you. We have performed very well in the past financial year. I have just got two questions to ask from reading of the annual report. The first is regarding the net interest margin. The net interest margin we interest margin we have nailed at 4%, sir. So, can we look forward to holding onto this net interest margin in the running financial year? Question no. 1. And second question is on the written off loans. From the written off loans, we have as per the annual report recovered Rs. 2750 crores (Repetition). Now I would like to now from this Rs. 2750 crores, which are the sectors of the industry from which we have made these recoveries. So, these are the only two questions. The report is very well written. I must say before closing that support all the resolutions, and considering this AGM is an important event, the efforts that I can see that the Bank and the associated AMC support is a model for other companies to follow. I don't have any further questions but all the best wishes to the Board and the employees. Thank you for letting me be here and give an opportunity to speak.

Moderator:

Thank you, sir. Inviting speaker number 13, Mr. Praful Chavda.

Mr. Praful Chavda – Shareholder:

First of all, I would like to thank the Board of Directors for the system that is in place for the registered speaker shareholders. It is very nice. As soon as I clicked on the button, the number 13 was shown. I liked it very much that there aren't so many settings here and I immediately got to know that if I am speaker no. 13 or 14 or 15. So thank you for having this system in place.

But I am also surprised that when I got in as soon as the clock struck 9.01, about 10-12 speakers from Mumbai has already registered themselves in advance and move forward. And this Ashalata Maheshwari, be it any company's AGM even during the physical meetings, her number is always first or second. All the Directors in Mumbai are unified in one matter, that they don't want to run the company efficiently but interested in listening to these couplets and poems. I am also sitting down with a book which has about 200 couplets, you will have to sit and listen to all of it. I shall make sure that today you enjoy listening to couplets to the fullest. Both the Chairman and the Managing Director were laughing listening to the couplets. Which means you all like to sit and listen to couplets, go to parties. Why do you give permission for such speakers to speak? Why do you sit and listen to all this?

Listening to one of the previous speakers, Mr. Ajay, it was disheartening. Listen to it with both the years and keep it in mind, sir. Don't just listen through one year and let it out through the other. You spend in crores for CSR, you should be helping such employees. But you are not doing it. He spoke for 7 minutes, whereas Ashalata and Gautam Tiwari spoke for 7 minutes. There wasn't any problem for you people. It was nice listening to all the praises, right? That is okay. But there should be some limit to it, right? Are you afraid of the speaker shareholders from Mumbai that you sit and listen to them and that they are always first in speaking and that others are given a chance later?

Sir the next thing is, that the Bank account of customers insured. Please give us information on it as to if the account insured has been done for all the customers, be it 5 lakh, 10 lakhs, 2 lakhs, 3 lakhs. Which means, if any of your customer falls ill, then will they get any benefit through the institution? Sir, you provide loans like Rs. 1,50,00,000, Rs. 2,00,00,000, Rs. 5,00,00,000, Rs. 10,00,00,000. So, do you have any sort of person of the documents that to provide a loan of Rs. 50 lakhs then two officers from your Bank will be sent or if the loan amount is Rs. 1 crore then you will be sent four people? And the one who gives the loan is different, so who is going to recover it? It is necessary to send the person who has approved the loan to recover it. You need to have a vigilance branch. So many people take loans for something and use it for something else. They will definitely pay it back and hence you are also happy. But you have to see what the loan is used for, the one who is passing it should take a look at it so that officer knows what is happening. His or her responsibility is over after approving the loan, that's it.

I have seen in rural branches sir, the employees are usually from the same areas, they don't even know how to speak in English, they speak in local language. If there is anyone who can speak in English, then also they fail to handle. They don't know the rules of the bank either. They just know to sit in the counter, collect cash, put a stamp and deposit it. They don't have any knowledge apart from this. So, you should immediately transfer such employees into some city branch so that his or her knowledge improves, and they understand what they are doing, keep meeting new-new people. When their knowledge is improved, how is it reflected on the Bank? If you keep these people in the local branches alone, then the Bank cannot move forward. People from their locality are only their customers, and they know each other well. That should not be the case.

If anyone takes any loan and if I realize that person is going to commit any fraud or is already indulging in one, then I inform the Bank. But nobody listens. Keep a system in place where in you reward someone if they inform the Bank that some person who has taken loan from the Bank is indulging in fraudulent activities. Record the name of the person, you will definitely keep getting information on who is a thief and how they are using the loan amount, or who is not planning to pay back the loan. All the CSR activities undertaken by the Bank are good. There are so many schools in Mumbai. Even today children in the government schools are sitting on the floor and studying, children are not able to wear good clothes, go to good school – they don't have the basic necessities in a school. So, go to such schools, set up benches and desks, distribute books to such kids, arrange healthy food for the kids. The government is providing one meal a day but you may also do something about it so that those kids can also move forward.

Sir, in the Attapur branch there are no chairs for senior citizens. When I went to update my passbook, if there are 5 people in queue and I am the 6th person, I have to stand till my turn. So please make some seating arrangement for the senior citizen in Attapur. One employee says that this is not his job, another one also says that it is not his job, the third one also says the same thing. And the one who is responsible for the work, might have gone away from some 10-15 minutes either to the washroom or for some other work, the other employees don't say anything till the employee comes back. So that should not be the case. I wanted to say something else too, but in the confusion, I have forgotten. But thank you for giving me the opportunity to speak over here. Thank you, sir.

Moderator:

Thank you, sir. Inviting the next speaker, speaker number 14, Mr. Kirti Shah.

Mr. Kirti Shah – Shareholder:

Chairman Sir, Chairman Sir is my voice audible.

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Yes, Kirti ji, your voice is audible.

Mr. Kirti Shah – Shareholder:

Chairman sir, the contingent liability has increased by 40%. What is the reason for that? It is around Rs. 14,57,000, which was about Rs. 10,20,000. The contingent liability has increased by more than Rs. 4 lakhs, please tell us the reason for it. Chairman sir, what is the yearly return on our investment? What is the interim income that we receive on the investment? Please provide us with the bifurcation. Chairman sir, the secretarial team has worked really hard for this meeting and sending the annual report. It is a good thing. I have mailed you in detail and it would be better if you replied for it. Chairman sir, the CSR activities are really good and whatever be it, you are trying to improve the rural areas. And just like the previous speaker shareholders mentioned, please do something for the senior citizens.

Chairman sir, the FII holdings has reduced by 4% hence it was reduced in the market. What is the reason that the FIIs has reduced by 4%? Please highlight on that because the rates were somewhere around Rs. 1700 and it had gone down till Rs. 1300. So can you tell us in detail about why did you sell 4% in FIIs and what is the scenario? We have so much holding in FIIs, and one day or the other it will have some adverse effect on us if the global scenario is bad. The FII holding are 35% more than the promoter holding as of today which was 39% before. I don't understand why doesn't the promoter want to increase their holding? So please highlight that. Chairman sir, our Bank has been there for a long time. Why is the price to book value so less? It is only 3.52. What is the reason for that and what will do to improve it? Please throw some colour on it.

Chairman sir, please reply to my mail. Wish you all the best, thank you very much.

Moderator:

Thank you, sir. Inviting speaker number 15, Mr. Tamal Kumar Majumder.

Mr. Tamal Kumar Majumder – Shareholder:

Respected Mr. Chakraborty, Mr. Jagadishan, Ms. Karnad and other Directors of the Bank, myself Tamal Kumar Majumder a small shareholder from Kolkata. My special thanks to our Company Secretary, Mr. Haldankar and his team consisting of Nirav Shah, Ms. Rupa Joshi and other for sending the digital report well in time and keeping in touch with the shareholders. Mr. Haldankar and Mr. Nirav Shah took prompt action today so that I may receive the link for the meeting. Thank you, Mr. Chairman, for creating such a dedicated team for the shareholders. Thank you, Mr. Chairman, for sharing your thoughts with us.

Last year, I complained about scanning two pages of annual report as one, making font size very small. But nice to note that the management took a note of it and this year, they scanned every page of the annual report separately, making it easier for shareholders to read the report. Thank you, Mr. Chairman, for taking appropriate steps in this regard.

Sir, I have gone through the entire annual report and the subsidiary accounts. I have some queries relating to our audited records and other matters and seek your indulgence, and I hope there will be no disturbance as regards when my questions will be done. We have attended the meetings of Mr. Parekh, he never disturbed any shareholder from sharing his thoughts. Because he knows we get only one day to share our views. I hope there will be no disturbance from your side. But I'm assuring you that it will solely be concentrated on accounts and not any other matter.

Sir, as per segment account page 285-286, the profit before considering all allocable and interest from wholesale banking and other banking increased substantially from Rs. 17,437 crores to Rs. 25,053 crores and from Rs. 6,207 crores to Rs. 7,376 crores, respectively. Whereas in case of retail banking and treasury, profit decreased in comparison to the previous year. Would you please share your thoughts in this respect, disclosing the reason for the abnormal increase/decrease in profits relating to these segments? And how our Bank fared during the Q1 of financial year 2023, and what is your expectation for the remaining part of the year? Sir, how our credit cards business is doing after lifting of embargo of issuing new cards by the RBI from August 2021 and what is our market share now in the credit card sector? Media report says that at the time of ban of new issue of credit card by the RBI, MasterCard share was 35% out of total card issued by our Bank. And what is the present position in this respect?

It is noted from page 267 sir, note 18, that the customer synchronised and provision written back relating to due at point for credit and debit card to the tune of Rs. 468 crores. How much of the total amount of Rs. 468 crores written back during the year? How much was written back and how much reward points utilized by customers? I want bifurcation of the amount. And sir it is nice to note that the cost of deposit decreased from 4.15% during the financial year 2021 to 3.56% during the financial year 2022. It is in page 268, sir. What is the status in this regard during the Q1 of financial year 2023? Sir, US inflation in June 2022 charged at 9.1% taking into account high inflation and recession concern, which is becoming real for the US and Europe, and there is a strong rumour that Fed may increase the interest rate by 100 bps. In this bleak scenario and slowdown of our economy also, do we expect further increase in the interest rate in the near future? Please share your thoughts in the respect with us.

Mr. Jagdishan in page 11 of the annual report, following are mentioned, in the CEO's letter to all. In the next few quarters, we will launch more of our products and services under Digital 2.0, including new payments platform for our customers' payment platform, for our merchants and OS platform all in partnership with new age technology companies. In this connection, I want to know whether the JV (Joint Venture) is formed or will be formed in this regard with new age tech company for this activity, and whether it will be launched during the current year? Because you have mentioned here 'in the next few quarters' so will it be launched during the current year? Please share your thoughts with us in the regard. Sir, it is also noted from the CEO statement that the Bank wants to open 1,500 to 2,000 branches every year for the next three to five years. In order to double the branch numbers, which is now around 6,342 branches, so the Bank properly has to...if we consider that 1,500 to 2,000, then it appears that the Bank proposes to open five to seven branches every working days. Whether it will be

possible to open profitable branches within such short period of time? Last year the Bank opened 734 branches. How many of our branches are in loss as on 30th June 2022.

Sir, in page 242, the Bank made high rates of provision than the statutory limit set by the RBI and foreign regulators as regards standard asset and other segments. In this connection, I want to know the amount of excess provision made by our Bank during the financial year 2022 in this respect. How much was the excess provision? And sir as per page 294, note 34 total assets as regards foreign branches are concerned increased to Rs. 58,035 crores as on 31st March 2022. Revenue for financial year 2022 decreased to Rs. 860 crores from Rs. 932 crores last year and with an NPA balance of Rs. 195 crores. What is reason for decrease in revenue during financial year 2022, and how foreign branches are doing during the Q1 of financial year 2023? And what is the reason for abnormal increase in deposits of branches outside India from Rs. 5,888 crores to Rs. 10,122 crores as on 31st March 2022. And share with us the foreign branch expansion plan of our Bank during the next 3-5 years. Whether it will be as aggressive as the plan for branch expansion in India?

Sir. on two counts, no divergence in asset classification by RBI and full amortization of expenditure on family pension during the financial year 2022 instead of adjusting it during the next five years as approved by the RBI. We must congratulate our management. It shows the strength of our balance sheet. Thank you, Mr. Chairman, for such fantastic achievement and hope that the trend will continue in the coming years. Sir, in page 268, income from marketing and distribution which comprises of income from displaying publicity materials at banks branches, ATM's, commissions and sourcing of income increased by 40% from Rs. 2,113 crores to Rs. 3,059 crores during the financial year 2022. What is the reason for such abnormal increase in income? Whether it is due to increase in branches or rate or any other matter? And how much of the total amount received from our own company, that is from HDFC group, from HDFC Limited and other companies? And sir, during financial year 2022 though the number of frauds increased in relation to the previous year, the amount involved was much less than last year. That is from Rs. 1,641 crores to Rs. 506 crores. It has been page 258. What about software up gradation for early detection of fraud and what is the current status in this regard?

And sir, whether our Bank received approval from the Reserve Bank of India in respect of 3.55 crores equity shares of HDFC Argo General Insurance Company limited, purchased by our Bank at a cost of Rs. 1906 crores. And last question is what is the reason for increase in commission to sales again, from Rs. 2,612 crores to Rs. 3,119 crores financial year 2022? Sir, it was very painful the experience shared by Mr. Raman and Mr. Bhagavat. It was really painful and we heard it. But despite these good services, this was really painful. And Mr. Bhagavath when he was crying, when Mr. Raman was crying, it was really painful for us also. So, this should not happen in a Bank like HDFC where a person like Deepak Parekh is the Chairman. This should not happen. I hope Mr. Jagdishan, you will personally look into it and take appropriate action immediately. Thank you all for patient hearing.

Moderator:

Thank you, sir. We had experienced a technical difficulty with the previous speaker and it appears that it has now been resolved. So once again inviting speaker no. 3, Mrs. Hutokshi Patel. Hello, ma'am.

Mrs. Hutokshi Patel – Shareholder:

Hello.

Moderator:

Can you please speak slightly loudly?

Mrs. Hutokshi Patel – Shareholder:

Respected Chairman, eminent Board of Directors and other Directors on the Board, very good evening to all of you. I thank Mr. Haldankar and his secretarial team Karishma and others for giving excellent annual report. Also, our CFO has given very good financial figures, Mr. Vaidyanathan. Thank you very much. Every year, the Bank is giving excellent results. All the employees are performing excellently well. The results are very satisfactory. Our net worth has increased by 18.8%, our income has increased by 11%, 7 crores customer base we have. What *[break in audio connection]* utterly satisfactory results we have.

Sir, now I put some few questions. On the technical front, how are we progressing? Can we believe the best is yet to come from HDFC Bank? Do we provide loans to the employees at a lower interest rate? Any other financial assistance to the employees are given? Sir you have given a very excellent breakup of employees' strength on page 81. It's really very nice and very informative. Sir which region that is, which state requires more focus of our presence in terms of branches, if you could let me know? Sir, we have foreign operations as mentioned on page 285. Where are they? Do propose to expand our base and do we propose and even enter into the various geographical places? Please let me know. Sir, do you sell bad loans to ARC? Our NPS have shot up considerably around 11% and above in this quarter result. What could be the reasons for the same? How would you tackle this problem? If you could let me know, sir. You have the industry leading growth in balance sheet, size, PAT, EPS, deposits and advances and NPS in comparing to the other banks in our country. I congratulate you for the same.

The presentation and layout of the annual report is excellent. All inclusive and very informative, especially page number 120-121. Can we add more details in key ratios? I congratulate the company and all its employees for the excellent awards and recognition that the company has obtained. I congratulate the management team, the Board members and every employee for the hard work that they have done in this year. I wish all the best to all. Thank you for giving me this opportunity and I support all your resolutions. Thank you very much. All the best to you all and may God helps our Bank or to prosper all the more. Sir, poor connectivity initially I suffered as a speaker. I should not have been punished for that and should have been given a chance a little further. Thank you for giving me this chance also, but I would like to know that instead of punishing the speaker, it should better that you give them the opportunity to speak right after two-three speakers. I request NSDL to also to observe this. Management has given me chance, I thank very much, and the secretarial team also. All the best ones again to all, good luck to you all.

Moderator:

Thank you, ma'am. Inviting the next speaker, speaker no. 16, Mr. Akshay Anilkumar.

Mr. Akshay Anilkumar – Shareholder:

Good afternoon all. This is my third year here as a speaker. I've attended about 25 to 30 AGMs since it became virtual and I have to say this is one of the most interesting AGMs I had to attend because of the emotions that all the speakers brought into this AGM. Let me tell you about my emotions with HDFC and why I prefer HDFC. Because all of them were expressing their emotions, let me also bring in my emotions. I'm a customer of HDFC for the past three years. When I started working straight out of college, I never got a loan when I wanted urgently. It was only HDFC Bank who gave me at a very considerable rate, and the quality and the way in which - I have just given services as excellent and for this I will always remain a loyal customer to HDFC firstly. And secondly, in terms of, why for me HDFC Bank holds a special place in the AGM because I remember last year I had asked a couple of questions on HDFC Securities and I had asked why there is a decrease in the numbers. But what was most surprising to me was when Dhiraj, the Managing Director of HDFC Securities called me the next day and personally answered to all my questions. I just have two shares of HDFC worth about Rs.4000, yet the managing director of HDFC Securities came the very next day to answer my question. That shows how much transparent HDFC Bank is, how much you are transparent in your dealings and how much you care for even a young investor with just two shares. So that was about the reason why I personally Bank with HDFC and why I will be a long term shareholder of this Bank. That is about it.

In terms of the questions, I just have three questions, sir. First question, is in terms of the penalty. Every year I see that there has been a penalty which is coming on HDFC Bank. I think 2 years ago it was a penalty of Rs. 1 crore for mismatching your ALM. The last year, again, another Rs. 1 crore by Reserve Bank of India for mismatching ALM. This year Rs. 10 crores penalty for mis selling of auto loans. Sir I see that it is a case where one or the other penalty always being imposed on HDFC Bank. I want to invite your attention as to what steps have we taken to prevent this. In terms of the Rs. 10 crores penalty that has been imposed in mis selling of auto loans, whether have you written to the Reserve Bank of India for waiving the penalty or reducing the penalty amount or whether have you done an internal enquiry in this regard? Please give us details as to why of such a huge amount of penalty of Rs. 10 crores imposed on the Bank, more details on this.

My second question is in terms of the number of complaints under POSH- Prevention of Sexual Harassment. Two years back the numbers were 35, last year 47, this year 51. Every year it is increasing by 10%, rather than reducing. The aim of the Bank, which has zero tolerance policy should be to reduce. You are resolving it on time, there are no complaints pending, perfect. But that should not aim. The aim should be reduced. The day you have zero complaints then you have achieved the zero-tolerance policy. Rather it is increasing every year. This year it's 51. So, I mean, what has your HR team done and what steps have you taken to avoid in this regard?

And my final question is, while I'm happy that SEBI's Appellate authority has reversed its order of Rs. 156 crores at 7% penalty and I asked this last year as well. Where did we go wrong in this regard? Because you have paid a fine of Rs. 1 crore to SEBI. Where did all this go wrong and what was the due diligence and compliance team doing when SEBI imposed a penalty of Rs. 1 crore. The reason I am so critical of penalty is because Bank is always paying penalties to one or the other different regulatory bodies. So that was my another question. I had another question regarding the sharp increase in provision, but it has been detailed by the speaker. So, I am not repeating it. I had several questions on merger but as advised by the Chairman sir, I am not going to repeat it again. So, with those comments like I said, I've attended more than 25 to 30 AGM, HDFC Bank and Karnataka Bank are the most closest for me because of the kind of trust that you build within your shareholders. So

full credit to Santosh sir and everyone. Hopefully if it's a virtual meeting, I'll be back. If not, hope to meet you all someday in the future. Thank you.

Moderator:

Thank you, sir. Inviting the next speaker, speaker no. 17 Mr. Kartik Trivedi.

Mr. Kartik Trivedi – Shareholder:

Thank you, Chairman sir and MD sir, for allowing me to speak over here. And I would like to thank Mr. Santosh Haldankar and team. Moderator am I audible.

Moderator:

Yes, sir you are audible.

Mr. Kartik Trivedi – Shareholder:

I have raised some questions in email and you have given me prompt answer for that. But some are still to be answered. Now first of all, I have asked a question about real estate. So HDFC Bank and Group possess 17 million square feet in real estate. Out of that only 1.8 million is under owned. So, I will like to point out the next phase of growth is inflation. So, over the coming years, I am seeing that inflation will be at its inflection point. So, inflation is going to take over the economy and we have very less in owned real estate. So, I'm expecting real estate as an asset class to grow by 3 times, 4 times, 5 times. So, in this scenario, I suggest that the Bank should increase its owned assets, owned real estates. Second is the gold business. So, if you don't increase in gold business - I think gold as an asset class *[break in audio connection]*. So, I think you should focus more on the forex business; more of the revenue should be from the *[break in audio connection]*. So recently *[break in audio connection]* is going to come from UAE trending on the food processing industry, and food processing parks. So, this is a segment where we can witness growth. These were the questions I have raised.

I have raised a question about *gundagiri* in the sales targets. This is the term I have witnessed, and I can see that across the branches, this is the term and this is how it is actually happening at the ground level. Chairman Atanu sir and MD sir, you must be sitting in an AC room and conducting the entire Bank, but actually what happens at the ground level is most important. This is a point I have raised and sent a mail to each and every director. I was missing out on few directors because of their names. So, co-directors I have bounced the mails, but to the rest of the directors, I have sent them mails regarding *gundagiri* in the name of sales targets and I'm sending it this year too. Even last year I sent it. You need to see to it how it happens. I would like to meet Sashi sir also in the coming days. So, this is one part what you have to look out for. Now secondly, there is - I have written in the mail regarding the CSR activity. Actually, it's a commendable job! For 736 crores to be spent in a single year, it is absolutely a commendable job! Three claps for the CSR team. But again, whatever you say backfires. Few speakers back, one of the speakers was quoting his own difficulty. So, it's absolutely a contradictory statement from your side that you're spending 736 crores, but you're not taking care of the surrounding and atmosphere in an around you. So, that is all to be taken care of. Now, 736 crores in Corporate Social Responsibility, and within a span of 24 months, you're going to cross 1,000

crores. So, how to spend, when to spend? I would suggest you should institutionalise this corporate spend. So, that is one thing I would like to suggest to you, that we have all the assets, all the real estate assets spread into bits and pieces. So, we have Ramon House, we have Lower Parel, we have Thane, we have Vidyavihar, we have Vikhroli, so all the assets are spread out. I request you to create one single building of 3,000-5,000 crores, 20 floors own building; self owned building, that will be most important in the coming days, to keep a track on cost efficiency and human efficiency. That would be better. Rather than operating on bits and pieces, it is better that you should take advantage of that. That entire operation should be consolidated. So, these are 2-3 points which I have mentioned. That's it. If there are some points, I would like to email you. Now this is one thing, *gundagiri* in the names of sales target, I will absolutely focus on. I will ask as to whether you own it that it's our mistake or say it's not our mistake and that the employee is doing it on his own. Whoever are the seniors, zonal heads, cluster head, RBHO, branch managers, whatever they are doing, is on their own and that HDFC management doesn't own that we don't ask anyone to do such heinous activities. I have asked, either you state it, you own the responsibility, or you say that HDFC management is not involved. So, for this matter, I would like to meet you in the coming days. And, as far as the financials are concerned, inflation will take over within a span of 1-2 years and the government is going to change after 2024 and 100% the results are going to multiply automatically. Inflation itself will give a push to the financial parameters. If any point is left out, I will email it to you. Thank you to you all and to the team. That's it.

Moderator:

Thank you, sir. It appears speaker no. 18 - Mr. Manjit Singh, no. 19 - Mr. Asif Yunus Mody, no. 20 - Mr. Sharadkumar Jivraj Shah, no. 21 - Ms. Surekha Sharadkumar Shah, no. 22 - Ms. Nirupama Sharadkumar Shah and no. 23 - Mr. P Shyam Sundari have not joined us. So, Chairman sir, with your permission, I invite speaker no. 24 - Mr. Santosh Kumar Saraf. Sir, I request you to turn on your microphone and your camera.

Mr. Santosh Kumar Saraf – Shareholder:

One minute. Respected Chairman, dignitaries and my fellow shareholders, I'm Santosh Kumar Saraf from Kolkata. Namaskar to you all. I hope to find the directors, the management and my fellow shareholders in good health. Sir, the Bank is performing very well and is giving good results, so I have no questions regarding that. You've given a good dividend too. It was Rs. 6.50 last year and this year it is Rs. 15.50, that's a stomach full dividend! Sir, I have a couple of small questions. When HDFC Limited merges with HDFC Bank, what is the growth you'll envisage for the Bank? Will the merger benefit us or not? If you look at Industrial Development Corporation, if you look at ICICI, they underwent losses after their merger. So, please enlighten us on this. The second thing is, you male to female employee ratio is very poor. You have 1 female for 3.5 male employees. Out of a total of 1,14,000 employees, you only have 26,000 female employees and about 86,000-87,000 male employees. What steps are you taking to bridge this gap? I believe it's very good to give female employees a chance because they do good work in the service sector and it will even bring balance to your gender ratio. Sir, the sexual harassment cases are increasing day by day. I would request you to take the sternest action against such perpetrators and immediately terminate such employees. This way you would be setting a precedent and creating a sense of fear and caution in the minds of other employees. It's easy to lose a job, but very difficult to get one. Hence, no one would like to lose their job this way. I suggest you increase the female ratio and put a strict control on the sexual harassment

issues, that would be really good for us going forward. We are currently in the 4th wave of COVID and we're seeing an increasing number of cases around us. I too am currently suffering from COVID inspite of taking the dose. I would request you to organise a booster dose camp for all your employees and their families to combat the pandemic. What steps are you taking towards single-use plastic in the offices and also in the branches? Also, what steps are you taking for rain water harvesting and renewable energy? I'm really in favour of such virtual meetings as I'm able to attend from Kolkata. Mr. Tamal too joined from Kolkata. You have many who have joined from Delhi, Mumbai and other places. In case of a physical meeting, only people from that city would be able to attend, and the rain too could play spoilt sport. I would request you in future, if you intend to keep physical meetings, have a dual concept where you have a virtual meeting too so that shareholders like us can attend from other cities too. Kesoram just had a physical meeting along with video conference. The shareholders at the physical meeting spoke first, followed by the shareholders attending the virtual meeting. Such a concept would be really nice. Even Infosys followed the same concept. Without taking much of your time, I pray that all the directors and employees stay healthy, wealthy and safe in the coming year. Sir, it pains my heart when the old employees are harassed by the other employees. Everyone has to retire some day and face problems in life. Keeping this in mind they should serve the people and show respect the older employees. Thank you very much.

Moderator:

Thank you, sir. Inviting speaker, speaker no. 25, Mr. Shailesh Mahadevia.

Mr. Shailesh Mahadevia – Shareholder:

Respected Chairman, distinguished directors and members of the company, I feel highly privileged for getting this opportunity to speak in front of the board of directors who are experts in their own field of specialisation, and here to listen to some of the views of ordinary shareholders. Sir, our report is excellent and most exhaustive. Sir, I also find that the financial results are one of the best of the company, and you have given good dividends. Sir, in particular, I appreciate the 6 pages in the report given by our Managing Director & CEO – Mr. Sashi Jagdishan, which gives an excellent idea about the working of the whole company. Sir, I also appreciate the cooperation of the Secretarial Department which is a link between the management and shareholders at large. Sir, having said that, I wish to put some questions with a view to increase my understanding and appreciation, and not by way of criticism of the company at all. Sir, my first question is, we have done excellent CSR work which we have been doing for quite some time. Sir, this CSR work has a multiplier effect compared to the money which the company spends and the benefit which the society gets. Sir, are we finding out the economic impact of our CSR work? This exercise is being done by some of the companies, and I think our company should do it so that the society at large will come to know what exactly is the benefit to the society, and not merely a few numbers. Sir, my next question is regarding the economic value added of our company. Sir, have you worked out the EVA? This one figure will give us an idea about the addition to the wealth which the company has made after providing notional interest on the capital and reserves of the company. Sir, can you share that information? Sir, my third question is that the world growth, the world economic growth is now reducing. Originally it was estimated at 4.2% and the latest figure released about a week ago indicates the growth of 2.9%. Sir, may I know how this lowering of world growth is likely to affect our business? Sir, my next couple of questions are personal ones, with a view to increase the efficiency of our Bank. On the notice which we have received for this meeting, there is a telephone number which has been given. I tried to contact those

numbers on two occasions, nobody lifted the phone. On the third occasion when I succeeded, I requested the operator to give me the line of the Secretarial Department. Surprisingly, the operator did not know which is the line for the Secretarial Department. Sir therefore, there are two suggestions. When you give data on our notice, you should also give the extension in addition to the number which you have already given. This will simplify our work. And one more thing, I'm enjoying the benefit of a relationship manager. His service/services are very satisfactory. But, very often I find that the relationship manager keeps on changing at frequent intervals. And lastly, related to the same subject, I get information from my demat account advising me that I should deposit X amount immediately otherwise my loan will be regarded as a non-performing asset. When I took the same problem to the relationship manager, he said just ignore it. Now sir, I'm in a confused state. On one hand, the relationship manager gives me one advice, on the other hand the demat account - and they have even given it in writing. But, when I tried to contact the number given, that person was not available at all. Sir, if you can try to solve some of these minor problems, it will be of great benefit to a shareholder like us who at the age of 84 expects better cooperation and service. Sir, thank you very much for giving me the opportunity.

Moderator:

Thank you, sir. Inviting the next speaker, speaker no. 26, Mr. Jaydip Bakshi.

Mr. Jaydip Bakshi – Shareholder:

Good afternoon Chairman, MD and board of directors. I'm Jaydip Bakshi connecting from the city of Kolkata. Thanks to the Company Secretary for giving me a platform to express my views and also to the entire Secretarial Department for conducting this video conference in a smooth manner. Sir, in your initial speech you have well explained our company's position, our Bank's position and our good performance in this turmoil period. Sir, regarding the contribution of the overseas branches which is around 0.55% of the total income, how are we planning to increase it further? Sir, once again, thanks for the dividend of Rs. 15.50 and also for the steps taken for energy efficiency management and also for the CSR activities. Sir, we have put up a primary data centre at Mumbai and Bangalore. What are the steps we are taking for data protection? How are we trying to control it? Are we continuing the mobile ATM that we had implemented during the lockdown period? Regarding satisfaction with the service of the staff, it is always good whenever we go to the branch. But one thing is, I also have a demat account with HDFC, but we have to rush from our local place to around 5-6 kms further down. Earlier we used to have this in our branch, but are present, we have to go around 5-6 kms to have necessary requirements regarding the demat account. Sir, I have nothing more to add. My best wishes to the Bank for the increase in profitability, and all the best. Thank you, sir.

Moderator:

Inviting the next speaker, speaker no. 27 - Mr. Anil Parekh.

Mr. Anil Parekh – Shareholder:

Hello. Am I audible and visible?

Moderator:

Yes, sir, you're audible and visible.

Mr. Anil Parekh – Shareholder:

Chairman Mr. Chakraborty, Mr. Jagdishan – MD & CEO and all our board members, good evening to you all. I hope you all are safe and sound at your respective end. Sir, since the last 3 years, we are unable to meet personally and we are missing the physical interaction with each other to meet and greet. Hope next year when things are normalised, we can meet personally and greet each other. Sir, I am thankful to our CS team, particularly Mr. Santosh, Mr. Nirav Shah, Priyadarshini for assisting us whenever we need any kind of assistance from them. I'm very thankful to them. Sir, also I received your voluminous Annual Report for the year 2021-22. It was an excellent report with every minutely detailed, that majority of the questions can be avoided. Thank you for the same, and congrats to our CS team. Now, going through the balance sheet, there's excellent all-round performance. Our balance sheet size has grown by 18% to 20,68,535 crores, Net Profit of 36,00,961 crores. Sir on page 120-121, our CS has depicted the excellent 10-year journey from 2012-13 to 2021-22 wherein we have grown from 15,811 crores of NII to today's 72,000 crores. Sir, that's an excellent journey. But sir, what I see here is, our dividend payout ratio on 2012-13 was 22.77% and today it is 23.28%; no major change. So, if you can throw some light on your dividend payout ratio, I would be very obliged. Sir, on page 132, our Gross NPAs have reduced to 1.17%. In my opinion, it is lowest in the entire banking industry. Congratulations to all of you who have done an excellent job to bring down our NPAs when every Bank is finding it difficult to keep their NPAs down. Sir, I would like to know, what is the average hours spent by our staff on CSR activities? Sir, the dividend of Rs. 15.50 is very good and I congratulate you for that. But sir, had it been rounded off to 16, it would have been better. Sir, just a few months back, Yes Bank has recently introduced floating rate FDs. Do we have any plans to start that too in our Bank? Our merger was a timely and strategic move. It will enhance investors' confidence in the Bank globally. Sir, I'm connected with HDFC Bank in many ways. I'm a shareholder, I'm a fixed deposit holder, I have a savings bank account, I hold a credit and debit card, also, I have purchased an insurance policy from our bank. So, I'm confident that one day we will be no. 1 among the public and private sector banks. Sir, do we have any plans to penetrate globally. What I see is that we're present in very few countries globally. So, what are your views on that? How can we penetrate more and more countries and have more and more branches? Sir, how are we contributing to our PM's vision of *Atmanirbhar Bharat*? Many speakers have said many things about the company and have asked many questions. I'm restricting myself here to not ask many questions. Thank you for a patient hearing. I support all the resolutions. Thank you very much sir.

Moderator:

Thank you, sir. Inviting the next speaker, speaker no. 28 Mr. Bharat Shah.

Mr. Bharat Shah – Shareholder:

Sir, can you hear me?

Moderator:

Yes, sir.

Mr. Bharat Shah – Shareholder:

Respected Chairman Mr. Atanu, MD – Mr. Sashi and other respected directors, good afternoon. My name is Bharat Shah. I congratulate you for the excellent performance by the Bank. Sir, you were very comprehensive in your speech. We're sure the Bank is working hard towards doubling and tripling in business, and my best wishes for the future. Sir, I thank you for a good dividend of Rs. 15.50, which is around 56%. I congratulate you for all the awards received. You'll won the award for The Best Private Bank of India, Best Large Bank, Best Bank of India, etc and I congratulate you for all the other awards you'll have received. I also thank you for the excellent CSR activities which are going on in full-fledged. This is humanitarian work, thank you so much. You have opened new branches for the convenience of your customers, thank you for that. I have an account with your Prabhadevi branch. The manager there is very good. The staff too is very efficient. In fact, your staff in all branches are very efficient always respecting the customers. I would like to thank all the employees of the Prabhadevi branch. Sir, the leadership of the Chairman, the MD and Mr. Deepak Parekh has borne fruit. Do let us know about your future 5-year plan. We are always with you and I fully support your resolutions. I would like to thank the Company Secretary Mr. Santosh, his hard-working team and Karishma for their good investor service. If we have any query, Nirav and Karishma handle it with so much respect and solve our queries. Whenever we call, Mr. Santosh answers; he's a very hardworking Company Secretary. I thank him for this good investor services. I hope we meet physically for the next AGM. May you be in good health. I fully support your resolutions. My best wishes for the coming festivals like Ganesh Chaturthi, Deepavali, etc. It's been 3 years since we meet, so we should definitely meet personally next year. Please organise some get together post Diwali so that we can meet. You have my full support in all your resolutions. Thank you very much sir. *Jai Hind!* Thank you very much.

Moderator:

Thank you, sir. Inviting the next speaker, speaker no. 29, Mr. Vinayak Shambhu Bapat.

Mr. Vinayak Shambhu Bapat – Shareholder:

Hello, good afternoon. I hope I'm audible as well as visible?

Moderator:

Yes, sir.

Mr. Vinayak Shambhu Bapat – Shareholder:

Esteemed Chairman, Managing Director & CEO – Sashi Jagdishan and members of our board, in fact, it's been a great privilege to be able to participate today, though on an audio-video basis. I think COVID has ensured that one more year we work through distance only. Sir, I would like to congratulate Sashi and his team at the outset for 3 outstanding years of very good performance inspite of the environment which was very-very challenging, especially given COVID and also now what Ukraine is brining upon us. Inspite of these 3 huge external challenges, the Bank and its team has done very well, and now they're ready to face the next challenge which has been brought in front of them, courtesy the merger. Sir, for the past several years, I have been emphasising the need to look at

making our good CSR strength. A few years ago, more particularly FY15-16 we had a shortfall amounting to Rs.131 crores. At that point in time, our project implementation for CSR was in its infancy. Obviously, now that we're doing 700 odd crores every year, I think we are well equipped today to be able to cater to an additional amount of Rs.131 crores. Moreso, our profits permit the same. Our CSR team's intent is good. And, I therefore fail to understand, why are we still dragging our feet and not making this good? I will only invite your attention to page no. 167 of HDFC Limited's annual report where they have made good even a small amount of 20 odd crores which was carried forward from 2-3 years before 2021. So, sir, I have written a detailed note and I am sure you and your members of the CSR team will look into it and hopefully I will not be disappointed because I think by God's grace the Bank is endowed in all respects. It has got a good team, it has got projects and it has got profitability and it has got money. So, there is no reason for us not to make good our debt to our community and to our society. Sir, I will now move onto the next point, I think the MD & CEO has rightly pointed out in his letter that people and HR is the biggest challenge and more so getting into the merger. I was really taken aback to see very, very high attrition rate of close to 29.75%. It is a very high attrition rate even when compared to our software majors whether it is Infosys or TCS. We are running a very high attrition rate. Virtually the HR team is either recruiting or training. We had 57000 departures in 1 year and 36000 additions. I think we need to seriously look at our HR policies both at the time of induction as well as retention policies because after going through a stringent induction process which I am sure HDFC Bank's threshold levels are very high where a lot of man months are spent in training these individuals and which we are going to lose renewable manpower then I think we need to do a searching analysis. Out of these 36000 even 10000 have been interviewed as to departure interviews as to why are you leaving the Bank, we may get some insights into why. Maybe a 3rd party HR agency can look at departure interviews because they can be taken on an unbiased basis. Very often employees are very hesitant to share a particular reason as to why they are leaving the Bank. So, I think we should look at this attrition with a little bit more attention. Sir, IT scales up with the merger definitely we need to scale up. So, I am looking forward to large capex spend both in terms of our data centres, in-house data centres in all. And I would like to be assured by the management that all the data that is processed by HDFC Bank with respect to its customers is processed and stored in India, in line with RBI's current policy framework, so that we will be made 100% compliant in that aspect. Sir, it may not be a bad idea for the board to work a quarterly proforma financial roadmap between now and the actual date of merger consummation as to how the balance sheet will look at the end of every quarter after the audited quarterly results are available. Maybe you can think about this and that way you will manage the market capitalization and the market expectations in a better manner, because it is my gut feeling or a little bit of guess work that post merger the capitalization of both companies will be even less than half. Maybe I am wrong, but this needs to be looked at because all the shares of HDFC Limited will be swapped for HDFC Bank Limited and then as usual people will have aspersions whether Sashi and his team will be able to manage both portfolios together. I am sure they will be able to manage but market doubts are always there, you know, doubting Thomases you can never, so maybe as we increase the level of transparency the comfort level might be better. Sir, HDB Financial Services, I found it very surprising that in a pandemic year their loan book increased by 14%, that is FY21 on FY20, and FY22 on FY20 it decreased marginally by 2.5%. So, if you see the loan book outstanding reported in the balance sheet this is a little bit of anomalous situation. Obviously HDB Financial has gone through a little bit of difficult period during the last 2-3 years, but we don't have an oversight. I would like someone from our HDFC Bank director to be also available on that board on an oversight basis. And again, in HDFC Financial Services we run two operations [a] banking services support operation, a kind of BPO and [2] is proper extended lending which you know is an extension of the Bank. In the light of

RBI's view on NBFCs maybe we will have to look at how this lending operation of HDB can be sustained on a standalone basis. And the BPO I think the service capability will need ramping up because with additional 9 odd crores of folios from mortgaged accounts on HDFC Limited we will need additional support services there. So, I am sure Sashi and his team will look at that, but these were my concerns on HDB. Sir, Sri Lankan exposure I see there's a mention in the annual report about Sri Lankan exposure, please quantify and also advise whether we have provided for the same. And variable pay for Managing Director and EDs, I saw a footnote in page 206 which says variable pay not included. Sir, I am aware that we receive approval from RBI on a one-year delayed basis because after the accounts are made we give the application, it takes some time. But whatever is paid to these gentlemen should be brought about transparently because I understand it is a significant chunk of the total cost to company. Just as a matter of good disclosure I think it would not be a bad idea neither it will hurt the two gentlemen. The AGM item no. 8 where we are saying that we need to raise Rs.50,000 crores, I have two small suggestions in that. We should widen the spectrum of instruments through which we want to raise capital. Maybe we should keep auction of a convertible debenture there and also some instrument like HDFC Limited has got outstanding warrants if you see that instrument which they have used to monetize or fund long term assets, it is very effective, the effective cost of that instrument comes to 2% capital. 2 or 3% post tax cost of capital is a killer, it gives you a humongous advantage if you are able to raise money at cost of capital. Please look at that and keep that in mind. Sir, one more question I have to ask, I have always heard that there's asset liability mismatch asset liability mismatch in the Bank. We cannot raise resources beyond 5 years with terms of deposits from the general public. Would someone in the legal team or Sashi's financial team guide me with respect to what restrictions are there in the Banking Regulations Act which prohibits a ban from raising fixed deposits beyond 5 or 6 years in tenure. Because I find it very funny to see we go to a Bank, take a term loan with a life of 8 to 10 years, at the same time we as a Bank cannot raise deposits of 8 to 10 years. So, we are asking for trouble because we go to another bank or some other bank who lends us with an average tenure of 7.5 or 10 years and they keep rolling it over with CDs and what have you, but at the same time we cannot raise from our own franchise. And I am sure there will be a lot of depositors like me or old pensioners who would like to subscribe to a safe and sound Bank like HDFC where we can keep our money secure for longer periods. Sir, with these comments I think I will leave you, I have independently written to both of you'll relatively longer email because obviously because of paucity of time one can't discuss all of this and I look forward to your responses. I should thank Santosh and his team as well as the financial control unit and their team for servicing our information requests very, very efficiently. Thank you, sir, and all the best.

Moderator:

Thank you, sir. Inviting the next speaker, speaker no. 30, Mr. Rohit Kumar Prasad.

Moderator:

Hello Sir. I request you-

Mr. Rohit Kumar Prasad – Shareholder:

Hello? Am I audible?

Moderator:

Yes, sir. Hello, sir? Can you, please, say something? It appears we are experiencing a technical difficulty with Mr. Rohit. Chairman Sir, with your permission may I, please, invite the next speaker? Inviting speaker Number 31, Mr. Sanjay Banik. Hello Sir.

Mr. Sanjay Banik – Shareholder:

Hello? I am audible?

Moderator:

Yes, sir, you are audible.

Mr. Sanjay Banik – Shareholder:

Okay-okay. Sir, I am Sanjay Banik from Kolkata, shareholder as well as customer of the HDFC Bank. Thank you for providing me the opportunity to speak at the AGM. Congratulations to the team for the super quarterly results just published today. Sir, I would like to point out some matter in the Annual Report. On Page Number 205 subsidiary details have been shown. Sir, if at least 5 years details are provided it would be better presentation for the shareholder in terms of judging the performance of subsidiaries. Sir, Number 2, on Page number 164 the CSR amount spent page, there's an area, there's a column that project duration is mentioned. But it is not shown whether the project is in month or is in year; that is not mentioned. It is on Page 164. And, Sir, on CSR activities out of 310 activities only 3 projects are being carried out in West Bengal. Sir, why Sir? Don't you find any suitable project there? As I am from Kolkata and West Bengal, so I have a query on it. Sir, am I audible?

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Yes, please. Please, carry on Mr. Banik.

Mr. Sanjay Banik – Shareholder:

Okay-okay. Sashidhar Sir, do you have any future plan regarding the listing of subsidiaries like HDFC Securities, HDB Financial Services? Now, Sir, I am also a customer of HDFC Bank and I face some pertinent issues in HDFC Bank services. Number one is, I can't invest in PPF and Sukanya Samriddhi Yojana using HDFC Bank app. This can be done only by using the HDFC Bank website. So, this is a drawback. Kindly integrate this facility into the app. I have raised this query to my Bank branch also but they are not taking these details seriously. Sir, I have recently watched an insightful investor meet on YouTube where Sashidhar Sir and Kaizad Sir were present where Sashidhar Sir stated that the Bank is heavily investing on the technologies like AI, ML etc. So, in this regard my point is kindly make PayZapp app up to date in terms of cashback. Actually, cashback is never credited instantly on the PayZapp app like Amazon Pay, Google Pay, PhonePe whenever we spend out a cashback offer we receive the cashback instantly but on PayZapp we don't receive it. So, I had to email the PayZapp team Customers Care to receive the cashback after waiting at least one month. So, kindly look after this. Okay Sir, I think, this is happening to many and so I am raising on behalf of many. Sir, on PayZapp exciting cashback offers are of different categories. PayZapp is providing exciting cashback on different categories and different areas but we can't use it as the cashback is not credited instantly. So, kindly look after this matter. Sir, it was delightful watching some exciting product launches by the

Bank when it was recently presented my Mr. Arvind Kapil and Mr. Jimmy Tata about the Express Digital Car Loan. Sir, do you have any innovative product in Home loan segment particularly in small ticket loans? In small ticket loans companies like Aavas Financial, Home First Finance are doing excellent job in the small towns and suburban areas. So, what is your plan to gain more market share in this segment, particular segment? Lastly, the HDFC Bank image creation is necessary, Sir. Actually, when an old age person or some person in backward area whenever I talk to them they always want to open an account in SBI only. They say 'This is a government bank and I will only open SBI account because my money is safe with government bank'. So, HDFC Bank is also a good and Number 1 private sector bank, so what will be your initiative to enlarge the image to the customers and interest them to open an account with HDFC Bank. Thank you, Sir. Sashidhar Sir, I like your personality and you are so down to earth and you have no flamboyant lifestyle. I like your personality so much. I watch every of your videos on YouTube and shareholder- friendly steps taken by your leadership will bring Bank to the new high. I hope so. Thank you again for the Board and management team for providing me the opportunity. Thank you, Sir.

Moderator:

Thank you, Sir. Inviting the next speaker, Speaker Number 32, Mr. Yusuf Yunus Rangwala.

Mr. Yusuf Yunus Rangwala – Shareholder:

Sir, you can hear my voice?

Moderator:

Yes, sir.

Mr. Yusuf Yunus Rangwala – Shareholder:

Yes. Can I go further? Yeah, Good evening, sir. Can you hear my voice, sir, perfect? Can I go? Hello?

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Yes-yes. Yes, Yusuf *bhai*, please go ahead.

Mr. Yusuf Yunus Rangwala – Shareholder:

Yeah. Very good evening, sir. I am very happy with our Santosh Sir for giving me a chance and also inviting me, Sir. This is a very excellent Bank, Sir. I am very happy with our Bank department, Sir. Firstly, I am thankful for giving dividend of Rs. 15.50 on Re. 1 share. This is very excellent, Sir. Our Bank performance is very excellent, Sir. We have around 428 pages and Santosh Sir I would like to say many thanks to you for sending me the Balance Sheet. It is an excellent Balance Sheet of 428 pages. I have never seen such a Balance Sheet, Sir, of any other banks. This is very excellent. Sir, directly coming to the point, Page Number 110, 'We are helping a farmer through loan and also we are helping for poor people, needy people' and CSR activities on Page Number 110 shows how you are carrying...5000 women you are helping. Sir, I am very happy with this thing. I am very happy, Sir. Sir, I am thankful to Nirav Sir. Nirav Shah Sir and Siddiqui Sir for giving me a chance and also

phoning me, Sir. They give very good services. You have young people working with your Bank, Sir. I am very happy, Sir. Sir, now I will come to the point. We are merging the Bank and HDFC will be coming with us, Sir. 24 shares of housing develop of 42 shares, after this merging what will be our board, company people with us. Sir, I would like to know that. Total number of ATMs we have is 18000 and we have many branches, Sir. Excellent branches we have, Sir, but how many new branches will you open in this year? Sir, we have a branch in Shikrapur also. My native place is Shikrapur and Sir, there also we have HDFC Bank branch. I am really happy to know this fact. Sir, in Gujarat what is the total number of branches that we have? I would want to know about Gujarat, Sir. Surat and Bharuch, how many total branches do we have there of HDFC? Sir, how many new branches are very planning to open up in this year? I would like to know that. I don't want to ask anything else. Sir, I would end my speech here. Thank you very much. May God bless our company. Sir, one more thing, services of smiling and handsome Santosh Sir is awesome. Sir, no matter how much I thank him it will be less only. Sir, Santosh Sir is a gem which we have and so do ensure to keep him safely with us. Thank you very much. *Jai Hind. Jai Maharashtra. Vande Mataram. Bharat Mata ki Jai.* Thank you very much. Sir, if possible, in month of Diwali arrange a small get together for us in your Mahalakshmi office. Sir, 3 years ago you had organized a get together. Santosh Sir, it is my humble request and this way I will get a chance to meet you also. Chairman Sir, I want to meet you also. It's been 3 years of COVID because of which I couldn't meet you. Sir, we are waiting for the next physical meeting. Sir, keep a physical meeting next year. 29th Meet should be physical meeting. Thank you. Thank you very much. I speaking from Mumbai. Yusuf Rangwala. Thank you, Sir. *Jai Hind*, Sir. Sir, I would like to turn on my video once. Sir, can you see my video? No Sir, video is not getting turned on. Thank you, Sir. *Jai Hind.* Nothing more to add. *Jai Hind.*

Moderator:

Thank you, Sir. Inviting the next speaker, Speaker Number 33, Mr. Ashit Kumar Pathak.

Mr. Ashit Kumar Pathak – Shareholder:

Am I audible?

Moderator:

Yes, Sir, you are audible.

Mr. Ashit Kumar Pathak – Shareholder:

Yes-yes. One minute. Very Good evening respected Chairman, MD & CEO, Board of Directors, Company Secretary, fellow members joining at 28th AGM of HDFC Bank Limited. My name is Ashit Kumar Pathak. At first, my instant gratitude to Company Secretary Mr. Santosh Haldankar and secretarial department for sending me the notice and hard copy of Annual Report just within 24 hours of my mail. Excellent cooperation from the secretarial department! And thanks for this. Excellent presentation by respected Chairman. I have noted all the valuable points especially sufficient capital buffer, strong Balance Sheet and ESG framework. Excellent roadmap of my Bank. Sir, I have already casted all the resolution mentioned in the notice. Excellent financial performance because FY22 deepest in pandemic and slow economy though Profit After Tax is Rs. 36,961.35 crores against Rs. 31,116.52 crores the previous year. Our Book Value increased 432.95, Capital Adequacy Ratio 18.9

and GNPA decreased 1.17 against 1.32 and NPA nicely reduced to 0.32% against 0.04% and Liquidity Coverage Ratio is 1.16 and Net Stable Funding Ratio is 124.00 per cent. Excellent Balance Sheet, no doubt. And also, members rewarded with dividend Rs. 15.50 and also ESOP to senior managerial personnel and KMPs. Excellent going forward by our Bank management team. Regarding, Sir, overseas business, what positive steps my Bank's management taken? Why my Bank has already gone about footprints and it mentioned contribution of overseas branches Banks to total income 0.55%. Also, U.S. economy also impacted with hard inflations 9.1 and also IMF MD once tough times, slowing growth and conservative cost at living crisis. And in respect to domestic business, what positive steps my Bank taken in regarding quarters in FY23 where my country is facing low growth? Also, WPI 15%. Also, Union Budget Session, CapEx problem mentioned 7.5 lakhs crore, please focus on highlights next quarter financial prospective. Regarding to Bank deposits, fixed deposit rate RBI already raised the REPO rate to 4.9% and Bank also raised the MCLR rate plus deposit holders, senior citizens already getting 6.5%. Where government Bonds, tax-free bonds 8%. Also, Ministry of Road and Transport mentioned 8% on guaranteed returns. So, I think, it is my view and I would like to share that fund will be converted to 8% tax-free bonds because senior citizens mainly depend upon bank FD for their daily needs. So, what steps my Bank taken about this? This is my second view. Also, government has asked banks to explore collaborations with Start-ups and Fintech to give a credit push. After RBI bans Fintech from loading credit links onto wallets and PPI, Karvy Fintech switched to Plan B on reach out to leading banks to explore credit models. So, I think, my Bank already taking these models. After merger that is expected to bolster our growth prospects to capitalize on cross selling opportunities, both Capital Adequacy Ratio combined with PPCs mentioned. Also, harmonizing rule within banks and non-banks CRR and SLR requirement reduced to 20%. 90-day NPA window for NBFCs and NBFC asked to set aside Liquidity Coverage Ratio and this rule changes paved the way of plinth merger. My view is that many players also taking this advantage and going to competitive with our, this merger. So, what positive steps my Bank taking after this matter? Also, regarding business relation with my Bank to HDBC Limited mentioned in the Balance Sheet my Bank originates average 3554 crores home loans per month and purchases Rs. 28,204.24 crores direct assignment of loan from HDFC Limited. Already we have business relation with HDFC Banks. Also, HDFC Bank of my Bank already 2% customers source home loans. Also, this is my view, are these huge home loans overburdened with my Bank with other products? Also, what is the fate of the key partners of HDFC Limited? Because they provided Fixed Deposit customers and also Fixed Deposit customers who by the way are home loan customers to HDFC Limited and HDFC Fixed Deposit holders after the merger because HDFC Limited depositors gets better returns than Bank deposits. If possible, throw some highlights. And, my Banks have two subsidiaries, any future plan to add more subsidiaries, strategic subsidiaries? If possible, throw some highlights. My previous speaker also mentioned about attrition. Frontline staff and sale officer's attrition rate 43.7% and overall regional is mentioned 25.50% and mostly below 30 years attrition risk is 35.4%. Steps taken to reduce this attrition rates? And, in respect to MSME sectors, Page 255 mentions about 2,87,562 accounts restructured and outstanding amount mentions Rs. 6,874.39 crores as on 31st, March, 2022. So, please, show about the present status of this. And also, Page 145 did mention and Mr. Tamal Majumdar also mentioned various steps taken by fraud monitoring and control but, Sir, Page 258 number of frauds reported 6,543 and provisions made 231.74. Please, show some highlights about this present status of this. And also, on page 259 mentions 'excludes other facilities to the borrowers aggregating Rs. 2,307.65 crores which have not been restructured through'. Please, throw some highlights; it is mentioned okay the Page number 259. And, about cost control, what steps taken because operating expense is higher than previous year? Also, Sir, I noticed today's newspaper Yes Bank sales Rs. 48 crores bad loans for Rs. 11.5 crores. To tie-up with JC Flowers for

stress account sales and inviting offers to improve bid. My view is that is my Bank management team any intention to bid this? If possible, throw some highlights. And, finally, a top realising Bank strategy that retail loans in their engine of credit growth with 16% compound annual growth rate for 3 years. I think, my Bank's management team also concentrate on this point. This is my view I'd like to share here. And, Sir, one point, in a circular the RBI said that NPCI will facilitate integration of UPI platform with all banks and Paytm networks. Already my Bank taken this integration? If possible, throw some highlights about this and also Union Bank of India launched a virtual banking lounge on Metaverse on 8th July, 2022 i.e. the virtual lounge universe which will showcase of its products to customers virtually. This is the first Indian Bank to open their virtual source for publicity. Has already my Bank's management taken the decision to setup banking lounge on Metaverse? Because Metaverse market maybe reach \$800 billion in '2024. Nothing to say more. I pray to God everybody associated with my Bank with good health and the prosperity of my Bank day by day. Thanking you, Sir.

Moderator:

Thank you, Sir. It appears Speaker Number 34, Mr. Sarabjit Singh has not joined us. So, moving onto Speaker Number 35, Mr. Dinesh Kotecha. Hello, Sir. I request you to turn on your camera and your mic.

Mr. Dinesh Amrutlal Kotecha – Shareholder:

Yes-yes, I am there. I am there. I am there, Ma'am. One minute; give me one minute. Yeah. Good Afternoon, Sir. having waited for nearly more than 2 hours now my turn has come. Sir, I am very happy with the report. The Annual Report theme 'Leading Responsibility' and that is reflected in the figures that you have depicted in the Balance Sheet, Sir. Integrated Balance Sheet; very good, colourful. All photos are clear and have real life pictures as we are seeing the photographs. Sir, delighted because it is a corrected copy of the Annual Report. Sir, your Net Profit is 101 crores per day! And your CSR activity is nearly 2.01 crores per day. Fantastic! Dividend Rs. 6.5 last year, current year Rs. 15.50. Sir, several companies, I am not complaining anything about HDFC today because several companies are not even able to pay Rs. 2 dividends, Sir, and in that case, you have paid Rs. 15.50 for face value of Rs. 1. Fantastic! Sir, I would like to know that you have got employees 1,41,579 as on 31st March reported in the Balance Sheet. Now, let me tell you, I am staying at Vasai and Vasai is in the industrial belt. The total people working here is 1,40,000. So, you have got employees in HDFC more than the total people working in Vasai, Sir. Fantastic! Sir, I would like to know Board and management's deliberation on weakness of past and present and on opportunities for the future. What is the deliberation of the board and the management on the weakness of past and present and the opportunities for the future? Minimum 3 points of weakness you can say, Sir. Sir, Digital Marketing has a huge market potential. What percentage in role have we made in that? And what are the plans for our next year, 5 years and 10 years hence? Sir, what ways are planned to be desired to stop increasing online frauds with new age solutions? You know, online frauds are increasing day by day. You also reported. Several speakers earlier to me also said about it. I would like to know what plans are being devised by you with the new age technology? Sir, Page 17 I have got some few queries; on page 17- One Seven. Sir, all your ten Operating Ratio criteria are best and for the current year you have given the proper figure. For 21-22 you have given small figure but for '22 you have given proper figure. I like that, Sir, and continue this practice, Sir. I am very happy about it. Page 28, Sir, here the Risk Ratio you have scored 13 points+ out of 15 points i.e. the

percentage is 77%. Now, I would like to know that the 3 point which are there- monitoring issues-number 1, hygienic factors-number 2 and the third factor is - There are 2 factors in hygienic factors. Now, how are we planning this? Because, you know, we should be able to score more. Though you have given a detailed analysis in the next few pages about the risk analysis that we do in all the areas but still the Risk Management, the internal Risk Management, what is the satisfaction score that you have given to yourself? The employees together in your meetings, what is the internal management satisfaction score for the Risk Management? Is it 7? Is it 8? Is it 9? 10? Out of 10, what? I would like to know that. Sir, Page 122. Again, I am delighted to see we have got 13 awards all for the best in each category. Felt really happy, Sir, because we have attended SBI bank, we are attending other banks but there's no Bank like HDFC. Sir, RBI Thinktank report 10 states rated as paralyzed, day before yesterday or one week ago. The Thinktank report of the RBI has given a report that 10 States are rated as paralyzed- Punjab, Kerala, West Bengal, Bihar, Rajasthan, Andhra Pradesh, Jharkhand, MP, UP, Haryana. Sir, I would to just give a small suggestion here. We have been expanding our branches, so review your branches working in each of the 10 states as mentioned by the RBI report and further expansion to these 10 states must be very-very strict now because RBI has said that they can become small-small areas of Sri Lanka. RBI has very clearly mentioned in their report, Sir. So, please see to it that this improves. Sir, other than that I have got one more question that your assurance statement given on page 123 by KPMG is fantastic, Sir. Fantastic! And I am finding this assurance report for the first time in a Bank. It was not there in any other bank report which I have gone through. So, I am very thankful to you for giving such reports and the integrated Annual Report, again, very thankful for that. Other than that, Sir, people and shareholders like me and other shareholders we always want more and more and more. We should be satisfied that you are the best working Bank right now and for the merger as you have stated to us that 'Don't say anything about the merger', I will not say anything about the merger except one small thing. Sir, please allow me. Merger will amount to one plus one is not equal to two but it will be eleven. This should be your target. The benefits of the merger should be eleven and not two, Sir. Jagdishan ji is laughing there, smiling. But I am happy that he has got that point. Sir, because HDFC Bank we give money. HDFC Housing they give housing loans, so they need money for taking more money which we can provide. So, it is a two-way and it will provide safety to our loans also and the other banks. HDFC's limited requirement will be met by from us. So, it is complementary, Sir. So, I welcome this merger. I will speak more about the merger in the AGM. Other than that, Sir, one small point of notice which I can tell you that our Bank is the best Bank private sector, Sir. Let people say anything, you yourself know it, Sir, and I found you Sir Mr. Chakraborty, more-cooler than Mr. Deepak Parekh and thank you for your coolness because you have been sitting for the last 2.5 hours listening to us patiently and still 4-5 speakers are there and after that you will be giving the answers. If some of my answers are not given then you can give it to me in writing. Mr. Santosh Haldankar I am requesting you to please send my answers in writing if some of the answers are missed in the session. Thank you very much, Sir and wish you all the best.

Moderator:

Thank you, Sir. Inviting the next speaker, Speak Number 36, Mr. Jasmeet Singh.

Mr. Jasmeet Singh – Shareholder:

Am I audible?

Moderator:

Yes, Sir, you are audible.

Mr. Jasmeet Singh – Shareholder:

Thank you. Respected Chair, Board of Directors and my co-shareholders I am happy to join you on this video conferencing AGM of HDFC Bank. Chairman Sir, I have two points. Last year I missed registering. My first point is, that our subsidiary companies HDFC Securities, HDB Financial Services, HDFC ERGO General Insurance, the shares of these three companies are available in the market. Private brokerage houses deal in the sale and purchase of these shares. Sir, I have shares of HDFC Bank since the company was conceived and since then I am holding on these shares because I happen to be the shareholder of HDFC before that. So, my only question is that when shares of these companies are available in the market then in which year did you issue it and to whom did you issue and people to whom you issued why they are selling it now? Our co-shareholders who are connected with you since the inception, why the shares were not offered to us? I don't know if people raised this question before or not but I have this pain in my heart that HDFC which is a respected *[break in audio connection]* but you didn't offer the shares to your own shareholders but we can buy these shares from the market. You didn't offer us these shares. So, Sir, my request to you is that whatever has happened is already done but going forward those shareholders who are connected with you for past so many years especially the ones who are connected through IPO today you offer 200 shares of these companies to them. This is my first request to you. Second, Sir, when will you bring the IPO of these companies, tell us little bit about that. Other than this, Sir, my second point is, the dividend that our company gives like you gave Rs. 15.50 and our Earning Per Share is Rs. 66. Everyone thanked you for this and even I say thanks but my issue is that Rs. 15.50 is not even 25% of the profits that you have earned. From last 20-25 years we are connected with you in the hope that company will grow and even our income in the form of dividend... What is my right as a shareholder? My right is on the dividend but dividend gets decided by you people but why do you decide it less? I can't understand this. Why you are doing it one-fourth? Why not it is two-third? Why don't we declare 66% of our dividend? The future funding that you need to expand your operations that you will anyways be able to arrange. Neither you need should be worrying about it nor we should be worrying about it. We shareholders have the right on the dividend at least give us that. Give us the respectable dividend which is two-third and your profits. There's another pain point for me, HDFC parent company which is there which is being merged with you they give 40% shares as the dividend. You don't even distribute 25%. When that company which offers 40% will get merged with you then there also we will face the same issue where we will get 25% dividend. Sir, we are invested with you since so many years and we are still invested because of the reason that we gain maximum profit. We will be benefited only when you will alter your policies in favour of the shareholders. You all are also shareholders and all of you have got ESOPs and that way you all will also be benefited by that. The pay-out ratio which is close to 25%, increase that and take it up to two-third. This is my kind request to you. Sir, I would close my speech. See, I am 36th speaker and almost 200 questions have been asked from you. When will you answer these 200 questions? Will you not give? What will you give? Who will hear us? What will happen? My request to you is that from next time onwards, Sir, keep giving answers parallelly. For that our wait time will be more but that's okay but answers should be given simultaneously. It should be two-sided and if I don't get answer for my question there and then I can ask you that 'Chairman ji, you didn't give this answer. Answer me'. With this I will end my

speech. Santosh ji who is the Company Secretary, CFO Sir has good corporate governance and I am hopeful that in future they will take it to greater heights. Many thanks to all of you.

Moderator:

Thank you, Sir. It appears Speak Number 37, Mr. Ravi Kumar Naredi, Number 38, Mr. Nadeem Aziz Hussain and Number 39, Mr. Kushagra Raj Jain have not joined us. So, let's move on to speaker number 40, Mr. Vinod Motilal Agarwal.

Mr. Vinod Motilal Agarwal – Shareholder:

Can you hear me?

Moderator:

Yes, Sir.

Mr. Vinod Motilal Agarwal – Shareholder:

Yeah. Respected Chairman Mr. Atanu Chakraborty - Chairman, HDFC Bank Limited ji and MD Sashidhar Jagdishan ji and CS Santosh Haldankar ji, CFO Srinivasan Vaidyanathan ji. Good afternoon, Good Evening, now to everyone Sir. So, it has been very painstaking ceremony. I think it would have been for you also, Sir. You give so much time to speakers. Generally, all companies have moratorium for 3 minutes given to the speakers. Here the speakers were taking 7-7, 8-8 minutes to speak and the grievances were very same, Sir. This thing could have been controlled by the moderator and if they have got more this thing they should have taken by the email. Now if we come at 40 and people are speaking 6-6, 7-7 minutes even the management which is sitting out there they are all very valuable time they have, Sir. If you have this giving 7-7 minutes it goes by 2.5 hours-3 hours, Sir, in the meeting which should have been completed in about 1.5-2 hours. It goes into 3 hours, Sir. You'll have to look into this next time, Sir. I was given chance as Number 40 speaker, Sir, but now coming here so late into the meeting most of the queries would have been raised by my earlier speakers and they were very knowledgeable. Mr. Kotecha raised very nice points, Sir, but my 1-2 observations. You have got 1,41,000 employees at branches. You may have correspondent this thing are 6342 that works out to about 23 employee per branch. I feel in this modern age with the digitalization 23 employee per branch is a little on the higher side. How do you rationalize this, Sir? And on May 28th there was communication from the company that it is likely to open 4500-6000 new branches in the next 3 years, Sir. What would be the CapEx on these new branches that you would open? And what time does it take for the branch to come into profit? You opened 754 branches last year, 700 odd branches last year, what time does it take for the branch to come into profits? The financials and all are very good, Sir. No need to speak about them, Sir. These are my two simple queries and HDFC Finance Services that was thousand crores, Net Worth everything on a very small equity. Even the assets are nice and everything but as and when the company comes with the Public issue keep a portion of the issue for the old Bank shareholders, Sir. Thanking you. Signing off. Vinod Agarwal, Sir.

Moderator:

Thank you, Sir. Inviting speaker Number 41 Ms. Shobhana Sudhir Mehta.

Ms. Shobhana Sudhir Mehta – Shareholder:

Hello?

Moderator:

Hello, Ma'am.

Ms. Shobhana Sudhir Mehta – Shareholder:

Yeah. Can you hear me?

Moderator:

Yes, Ma'am.

Ms. Shobhana Sudhir Mehta – Shareholder:

Yeah. Respected Chairman and my other renowned Directors and co-shareholders, my name is Shobhana Mehta. I am calling from Dubai. I sat for the meeting after my lunch at 1 o'clock and Dubai is 1.5 hours back of India and now it is 4 o'clock tea time. Chairman Sir, I really praise your patience. I would say Chairman Sir that for 3 hours you heard everyone very patiently. You gave 3 minutes to everyone but still many people spoke for a very long time. Anyway. Renu Ji, how are you? Renu ji, your photo can't replace you in person. It's been 3 years since I met you.

Ms. Renu Karnad – Non-Executive Director, HDFC Bank:

It's not my photo. It is me. It's not my photo. It is me.

Ms. Shobhana Sudhir Mehta – Shareholder:

I am hoping that next year we will have merger meeting and definitely we will get to meet; hopefully. Sir, Balance Sheet was sent well in time by the secretary department through email. I would say that Balance Sheet is very colourful, informative and transparent. So, I would like to thank Company Secretary Shri. Santosh ji and his entire team and I would say, very well done. Very good. Keep it up. Through colour photographs you tried narrating the complete story of the Bank. So, once again well done. Sir, in your opening remarks you spoke little bit about the Bank's working and 40 speakers before me told many points and they put in lot many queries also, so I feel nothing much has been left for me to say. I went to Dubai, to far off place, and my turn to speak also got distanced and it took 3 hours. Anyway. Without repeating what's already been told, I would say that I saw the results and they are excellent and performance is encouraging and seeing good results you have recommended dividend of Rs. 15.50 per share of a Face Value of Rs. 1, recommended so I would like to congratulate you and your entire team and give thanks to all. Sir, I would also like to give my good wishes and I would say, let each ray of sun gives you brightness, each flower bud gives you fragrance. I wish to God that he gives you all the happiness. Sir, company has done very good work in CSR.

Very good! Keep it up! Sir, I mentioned before itself that today I won't take much of your time because many people have already taken a lot of your time and patiently you have been listening to them also. Just for my information I would like to ask just one question that today through Zoom video conferencing you organized the AGM, so for how many hours you have booked the slot and what would be the expense of this meeting? I just want to know this for my information otherwise as far as I know Shri. Deepak Bhai Parekh, so I would say that I have full faith on the management that whatever you will do will be for the good of the company and its shareholders. And, Sir, where there's faith not many question-answers needs to be asked. Bank shares were given to me for free by Deepak Bhai and next year merger has been planned and so one company from the list will be less and I definitely am saddened by that. Anyway, the resolution that you have proposed today I fully support that and I offer my best wishes for the company. May our company make a lot of progress. With this I wish you all the best for the future success to all of you. Renu ji, once again, miss you.

Moderator:

Thank you, Ma'am. Inviting the next speaker, Speaker Number 42, Mr. Mukesh Ajmera.

Mr. Mukesh V Ajmera – Shareholder:

Am I audible?

Moderator:

Yes, Sir.

Mr. Mukesh V Ajmera – Shareholder:

Good evening, everybody. It has been longer than a movie time. Movies don't last this long these days. *Vanakkam*, Mr. Jagdishan, *Namaskara*, to Ranganath; the only person I know in the Board of Directors whom I used to meet at Infy. He probably may not remember with so many investors. There's a better way of maybe handling this so that all of you don't get as bored as speakers. Of course, it is your responsibility and duty so it is necessary evil for all of you in the Board of Directors but for us speakers hanging around this long becomes too tedious. Reliance does pre-recorded AGM, so maybe you can think of that because when speaker numbers exceed beyond a few numbers, maybe 25-30, it gets to the point of no return for even participants. So, maybe you can explore this either for video or audio pre-recorded before the meetings. I would like to get into two main areas. As a well-wisher of the Bank and both as a customer as well as a consultant in CRM and Customer Delight that I have done for several years. The first thing is, Mr. Jagdishan's message says 'The Re-Imagining the future with technology and service first culture' which is nice. Now that is for future but for the present it would be nice if we can rewind a little bit and discover what all things are happening or not happening and where do we stand in terms of service as well as many other facets especially when both the entities are going to be merging soon there can be a clash of interest as far as service is concerned and already the banks customers who are being neglected - there are quite a lot. I mean see there's nothing like perfect thing. Only perfect company that I know of and I have experienced is Infosys. Fortunately, one of the persons who was with company is there on Board of Directors of HDFC and I would request Ranganath to bring in Infy culture into the HDFC merged entities or individual companies because that's a very big area and unfortunately in India it has been a neglected

thing because this is a country of numbers and most of the people end up - everybody is, as they in Hindi, 'everyone is able to run the business'. The best of the companies and products and the worst of the companies and products but every entity needs to retain its image and brand equity which comes not only from the top line and the bottom line but even from the middle line which I call, as a Customer Service Consultant, which is the customers. Middle line is the customer. Only with middle line being handle properly the top line and bottom line of any organization flourishes and this has been seen in several companies. Infosys, right, being a home-grown company and not too old relatively compared to many other companies in India is a benchmark we can look it. I would like to mention a couple of areas. One is, insurance to the Bank depositors. Though the government has a role and a say from paltry 1 lakh to paltry Rs. 5 lakhs it has been increased recently but even that is insufficient. Why cannot a bank pay to a customer whatever is the amount parked with the bank? Let's say 1 crore, 5 crores, 2 crores, 1 lakh, 1 thousand or whatever it is. Why should the insurance be only for Rs. 5 lakhs? The banks have been making huge profits whatever within their parameters and many of the customers are parking their lifetime savings and all their money is parked in either one bank or maybe whatever number of banks. So, if there's some Cyber fraud or if the banks fail which many small entities have disappeared in the last few years, should this insurance not cover this? I mean, people park money in the banks thinking that it is the safest way to park their money but what safety is it if a bank disappears or if some cyber fraud happens? Sometimes let's say we are travelling for 30-40 days and we do not even know what has happened with your Bank account. So, all these rudimentary changes need to be brought in by reputed banks like yours in consultation with RBI and the government. That is one way of safeguarding peoples' interests and building confidence in them. One of the other main areas I would like to address Mr. Jagdishan is, the credit card reward points. Now I have been writing to Mr. Adithya Puri; I have written about a dozen times and as part of your change of customer service module and model which if we write to the top management ultimately like a musical chair and merry go round it comes back to the branch. The branch does not even have the jurisdiction nor decision making power and so many issues. It keeps shutting between people and the customer issues never get resolved. So, why don't you change this model. There are lots of inputs I can give later on, if you are interested, because I have dealt with financial institutions and even done consultancy with Citicorp at their corporate headquarter in New York long ago. Of course, being a customer as well as a Customer Service Consultant I have many-many inputs. In fact, I did a free consultancy for HDFC Bank more than 10 years back at your Head Office when there was Sweep Account was being swiped as FIFO instead of LIFO and I had to struggle for more than 3-4 years except the brand Manager nobody even acknowledged that it has benefitted several lakhs of your customers. Anyway. So, credit card reward points I don't understand why do you have an expiry on that. Only human beings have expiry. Human beings expire. Rewards don't expire. All of you get your salaries and whatever rewards you get in your professional or personal life does it ever expire? This concept of expiry everybody apes each other's models. If you probably recall Mr. Jagdishan several years back all these reward points started in the U.S. airlines and the banks and many others but there the difference is if one person, one bank, one entity starts something good others ape that. In India it is just the opposite. Everybody apes each other's bad models and once the reward points have expired each month we get 15-20-25 whatever 5 points. What do you do with it? You can't even get a ball pen refill. You can either shut the reward points or don't have expiry on them. It is something that even we have earned, that's why the word says 'reward', so likewise all of you get rewards for your performance so why directly you, please, look into this as one of the leading banks of credit cards please stop this expiry business. If you think it is not profitable there are ways to get around that but expiry is not the solution to it and in fact other credit card company should try to emulate you rather than you copying others. That is one issue. And one of the things amongst the AGM speakers, I would

suggest, when there's a physical meeting we would prefer to and very easily meet other shareholders. So, in this you even have an option of 'Chat' and we should be allowed to chat with other shareholders. Maybe there are some issues of common interest and concern, it could be very well enabled through Zoom platform. This is my request, please, do consider many of these points. There are several of them but then due to paucity of time here and you know all of us has been conked out. It's time to quit and probably I will connect with you some other time, if there's an opportunity. Thank you very much and wish you all the best!

Moderator:

Thank you, Sir. Inviting the next speaker, Speaker Number 43, Mr. Dipankar Purkayastha. Hello, Sir.

Mr. Dipankar Purkayastha- Shareholder:

Hello? Can you hear me?

Moderator:

Yes, Sir.

Mr. Dipankar Purkayastha- Shareholder:

Okay. So, I had sent in a long list of questions by email and I have received very comprehensive and accurate replies from the secretarial team. So, I will not go into all those issues. So, there are just three points I would like to highlight in this AGM. First is, in your Annual Report there's a section where you have given 10-year highlights. So, if you look at that up to 2014-15 the return on equity of HDFC Bank was around 20%+. Since 2014-15 it has been steadily declining year after year and it now stands at 16.9%. Noe, if you look at the numerator the ROA has remained steady during this period. There has been only a marginal decline in NIMS. The culprit has been the denominator where the capital ratio has gone up from 16.8% to 18.9%. Tier 1 capital ratio has gone up from 11% to nearly 18%. This is well, well over the minimum regulatory requirements which the regulator has specified. And this has led to your decline in the ROE. Now, every bank has to trade a very fine line between being excessively capitalized and being excessively leveraged. I recognize that dilemma but in the case of this Bank and all the other private sector banks probably because of COVID in the last 2-3 years the balance has swung to becoming excessively capitalized. Now, will you put this excess capital into productive use by stepping up credit growth. Unfortunately, a lot of this depends on macro variables which are beyond your control. If it happens, well and good. I will be the happiest person. If it doesn't happen, I think, you should seriously consider returning excess capital to the shareholders. Some of the shareholders Mr. Jasmeet Singh notably was very vocal on this and even though they did not express in finance jargon they were bang on points. If you can't utilize this excessive capital, please, return it to the shareholders either by way of one-time special dividend or by share buybacks if the regulator permits that. Please, don't sit with excess capital. And, please, by the way do not give this kind of response. When I asked this question on the mail the response given was that 'Some of our private sector peer banks too operate at the same level and we would not like to be an outlier'. See, please, don't get into group thing. Just because your competitors are inefficient in capital utilization, you should not blindly follow in their footsteps. Secondly, sure I would like to highlight is that the expenditure on technology that this Bank has been doing for the last few years. In '19-20, you spent

Rs. 42 crores, '20-21 you spent Rs. 67 crores, in '21-22 you spent Rs. 397 crores out of which Rs. 295 crores came because of the RBI's dictate. In my opinion, your expenditure on technology is still awfully low. I will give you just one example. In your Annual Report, you have given the maximum concurrent user capacity of Net banking and Mobile and you have given a figure of 90,000. I enquired what was your peak utilization capacity in the last few months. By March, 31st you have already touched 71% of this capacity. So, what kind of redundancy you are building, I really don't understand because if this trend I extrapolate you will again run into problems in a few months down the line. And third and a very curious question I have got in the sense that I found from your Balance Sheet and in response to my query that you have transferred 65,704 credit card NPA accounts to Kotak Mahindra Bank. Not to an ARC but to Kotak Mahindra Bank. That's what your secretarial department informed me. I just want to understand why is it that Kotak Mahindra Bank is considered to be more efficient in recovering credit card NPAs than your Bank? I mean, because I have never seen a Bank selling credit card bank NPAs to another bank. Selling it to an ARC, selling it to a specialized recovery agency is fine and I understand that but why sell it to a competitor bank? It's been a long day, so I will not trouble you with any more questions but, please, do focus on capital utilization. Thank you for the opportunity and good day!

Moderator:

Thank you, Sir. That concludes all the shareholder addresses. Shareholder queries will now be answered. Over to you, Chairman Sir.

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Thank you, Moderator. Thanks very much all the shareholders for being so kind to, number 1, express appreciation for the manner in which Bank has been working. They will be duly conveyed to the teams that work on the ground because they truly deserve it. I also have taken note of all the issues, complaints, queries. There have been heart burns also expressed, they have been duly noted. I will try to answer a few of the queries which have come up. First one relates to the dividend itself as to why dividend has not been in excess of what is being given. The Bank has been giving dividend in the range of 20%-25% in order to provide for the adequate capital for the credit growth and the credit growth, the manner in which it is being provided and the risk models because another issue that had been mentioned by some of the shareholders as to whether the risk modelling takes place or not. So, the capital requirement, the risk modelling, the stress testing is a very regular process in the Bank and very sophisticated and very accurate because they're all back tested. Therefore, on the basis of that, the capital is adequate and perhaps on the basis of which the dividend pay-out between 23%-25% is a range which seems appropriate to push more credit, create a larger Balance Sheet, more advances, more income and in absolute terms thereafter a much larger dividend. So, at the end of it, it's the shareholders who tend to gain. So, that's the issue on the dividend.

On the branch network, it is likely to double over 3-5 years depending upon the requirement in specific areas and also how pandemic pans out because that really sort of in a sense comes in the way of expanding the network itself. Expanding network is also important from the customer satisfaction point of view, which is a very important input that we have received from the shareholders. And, not all branches would-be full-blown branches. Many of them are likely to be small. The branches in the city tend to breakeven within two years and those which are outer area, depending upon where they're located, tend to take about three years. However, they are extremely important for customers to

connect. Overseas branches, as many customers had wanted to know, are at very in Bahrain, Hong Kong, Dubai and GIFT City. GIFT City and is an area where this jurisdiction is growing very fast and with multiplicity of products which are being used by both NRIs as well as those who are using the liberalized remittance scheme and this has huge potential.

Somebody had asked a question about the owned offices. The bank had been always focused on keeping the cost low and Cost to Income Ratio is one of the lowest in the, if not the lowest in the industry, and that's the reason that of 17.26 million square feet of space only 1.80 is owned and 15.46 is leased. But of course, the advice regarding consolidating the offices at certain places that one single place is very well taken. They have been fragmented more because of historical reason as the Bank grew in Bombay itself.

Coming to female employees and the number of female employees, diversity is the major objective of the Bank and you'll be happy to note that last year 28% of the hires, which is much above the present level of women in the workforce in the Bank, are women. I do wish that it grows even faster and I'm sure it would. They bring lot of value to the Bank.

Regarding frauds and somebody had raised an issue on the auto loan investigation where certain fines were levied by the regulator. We do represent whenever issues do come up and complaints go, regulators ask us questions we do represent and many cases though our representation are accepted and where they are not and there are certain punishments which are levied, there's certain fines levied. We pay those fines. In auto loan a specific issue which was raised, there was staff accountability that was fixed and accordingly those staff who are responsible for it were duly published as well. I will not get into the detail of how many people and so on and so forth.

Coming to macro, couple of shareholders had raised this query as to how if the world growth rate is getting lowered as to how India would fare and how does one see in for India and the bank's growth therein. Well, I'd partly tried to answer this in my opening address itself. Indian economy is largely driven, 60% driven, by the domestic consumption and also a very large push by the infrastructure and on the infrastructure by the government, the PLI Scheme, the growth in the service tech sector. The rebound in the country is fairly substantial and that shows in the growth rate being predicted for next year and the years going forward. And the good part is that the banks and the financial sector as such in the country is in fairly good shape post reforms and there's a very substantial formalization of the economy also. So, that gives the Bank a good chance to grab a larger pie of that growth and that is what we are aiming at. And for that, a larger liability base is being built up and to that objective deposit rates etcetera are also being raised so as to meet an objective of providing a larger credit push into the economy.

Frauds; on that we have zero tolerance and we would have seen that perhaps the numbers look more but the amounts are much smaller.

On attrition, subsequently I'll request our Managing Director to dwell more on that.

On being Carbon Neutral, Bank's objective is to be Carbon Neutral by year 2032. And, of course, this is a very evolving area and we are all keeping ourselves completely clued on to this area. I'd mentioned that we already have an ESG framework in this matter.

There have been, you know, this meeting through video conferencing is a mixed bag. As some of the shareholders have expressed that they were able to attend because it was through video conferencing. Some of them, of course, we do wish that there is some amount of touch and feel and one can meet in person. However, we have also concern about your wellbeing and pandemic still remains pandemic. It does not become endemic and till we see the end of it, we will go as per the government regulations in this regard.

Having said that, I'll request Mr. Sashidhar Jagdishan to further elaborate on any of the matters which would have been left out or he would like to give greater amount of detail. And, the rest where the queries are more granular in nature, they would be replied via email so that the time of other shareholders is not taken. Thank you.

I request Mr. Jagdishan to elaborate.

Mr. Sashidhar Jagdishan- Managing Director & CEO, HDFC Bank:

Thank you, Chairman. Thank you, Chairman, and thank you dear shareholders for all your patience and all the questions that you have asked. As the chairman mentioned, we shall try and answer to the best of our efforts but as far as possible we'll try and also respond to you by email through the secretarial unit. I have sort of tried my best to list down all the questions as you were talking. So, let me try and see if my memory serves right and trying to go through some of the questions which were common in theme.

So, starting with some of the ones that came about. Mr. Surana, I agree with you. Maybe we can explicitly explain the word 'Reductions in the provisions movement'. There are three parts to it. One is, upgradations where if an account turns into an NPA when it comes back into regular then you don't need those provisions. So, that's part one of the upgradation. The other, reduction is on account of recoveries. It continues to be if I have Rs. 100 of NPA and I'm able to recover Rs. 80, so that Rs. 80 is called recoveries and Rs. 20 continues to be as an NPA. Then I may not be able to recover or upgrade. So, the balance come goes as a write off. So, these are the three parts of reductions, that constitute reductions. Details of what percentage of what is the amount, probably will have it email to you.

A lot of shareholders including yourself did ask about what's our plans on HDFC Securities and our another subsidiary HDB. Now, HDB is a financial investment which we have in this entity. Now, obviously with the announcement of the merger we are still awaiting directions from the regulator as to what is the status of our holding in that particular company. So, we will be able to decide on our future plan as directed by the regulator over a period of time. So, as and when we get the approvals from the Reserve Bank of India and their directions on this investment, we probably will give you a kind of a glide path.

As regards HDFC Securities, large part of the customers of HDFC Securities are customers of the Bank. So, you know, brokerage is a product offering of this group. So, hence our thought process is here we would like to maintain a majority holding in this particular company because it complements our product offering. Whether it is at the current level of 95% or whether it is monetized to some extent, is something that we will take as we progress with lots of other investments.

The Chairman did talk about diversity. I would not repeat but I would like to echo whatever he said. This is our priority. The fact that COVID has taught us how to work in a very hybrid environment, give more flexibility to women especially homemakers and mothers because they're very important for nurturing their children, managing children and work. So, we have a very humane policy of hybrid working and we believe that this should sort of will help us in stepping up the diversity ratios over the next 3-4 years.

On the branch plans, the Chairman has already mentioned that is extremely important not only to absorb our continued growth but we need more and more liabilities. And I've said it's even in investor calls that if you have to absorb the merger that's going to happen, as and when we get our approvals, this will be extremely important. It may not sort of give us the kind of momentum now but 2-3 years later all the branches that we are planning to open or the expansion plans that we're going to have, will help us to mobilize lots more liabilities. So, that's the reason why it's very important. I know one of the shareholders did mention 'Is it possible?'. You know, the way we have planned or we want to do, it's about seven branches or a branch in seven days. Well, yes, we are challenging ourselves and after all we are an execution engine. We believe that this is extremely important because India is a land of opportunity. As you know it's underpenetrated for banking and financial services. So, if we feel that the opportunity to extend banking is there in India and we need to ensure that we have all the resources such as funding to be able to fund that kind of a growth and branch is an important fulcrum to add to our portfolio so that we can add more and more customers and liabilities.

You know, a lot of people may not have said it but I'm sure people would be asking. I mean, 'Is it not too much? Is it something concentrated?' etc. Really, if you really look at it even in places like Mumbai and Delhi, and I'm sure, I remember Kartik asking this last year as well. Our density of branches contrary to what you believe is less. You know, if you really compare with the developed countries/OECD countries, the density like taking our population in account the density is 50% of what it should be over the world. I think, if our objective for which we have been granted a license is to extend banking to a larger part of the population, then we need to serve our customers or the citizens through better reach despite digitalization. So, that's the thought process.

We have been increasing our share over the last five years. Our market share on assets is about 11 odd percent between 11% and 12%. Our deposits are anywhere between 9%-10% as we speak. So, we have been gaining Market Share but we're still not the number one Bank. There is a larger Bank beyond us but we are steadily increasing and I'm sure the plans that the Board has for us, we should be and we have an opportunity to continue to step up the share as well.

One of the questions that came about was, which is that segment which provides you the best return on capital employed? You know, when you really look at the broad three segments of the of the Bank, it is- corporate segment or the MSME segment or the Retail segment. All these segments, the way we run our businesses is to ensure that ultimately it provides a certain return on asset and a certain return on equity. And now, when you look at the pricing which is a combination of the cost of funds etcetera, each of these businesses we have a risk-based pricing methodology which factors in the cost of operations, the cost of funds, the credit costs and so that we arrive at a certain return on asset for each of these segments. The methodology is such that the return on asset or the return on equity, I'll come to the return on equity. is more or less similar for all these segments. So, it's not that retail is better than a whole corporate or SME is better than a corporate or a corporate is better. All these segments, if you really look at our 27 years track record, we have been growing all these businesses

equally. Some higher depending on the macro environment and dynamics. So just to conclude on that all, our segments are extremely profitable. The return on capital employed will also depend on the risk weights of some of the products. Now, if you compare with the Basel, with the International BIS Risk Ratings all our products including some of the ones which have a higher risk weight like consumer assets, whether it's auto loans or credit cards or personal loans etc., will be extremely profitable as well on the return on capital employed will be higher. But there are reasons why the Indian regulations have pegged the risk weights higher than the international regulations. That is for just to be careful about the consumption growth. I think, there will be a time when all this will get converged to international regulations and at that time even optically the return on capital employed would be very similar to that of...all the segments will have similar capital employed.

I think, one of the most often asked questions is that we are adding a lot of branches. We added 700 branches. So, how long does it take to break-even? How many are loss making branches? It takes anywhere between 18-24-30 months to break-even depending on the location etc. More and more sometimes, I think, we have been trying to meet the breakeven within these timelines. So, therefore it will take, I mean, if you add a branch now so in about 3-4 years of time you'll start to see the profitability, the momentum of customer acquisitions, the mobilization of deposits taking a geometric turn. We have sort of put this up on our website, how in 0-5 years if I raised about X amount of deposits in 5-10 years it'll be 3x, in greater than 10 years it will be 10x etc. So, the branches are extremely important. They play an extremely important role in our businesses.

I think, while there are a lot of other things in terms of the merger which I will not sort of get into as we have given the rationale for the merger, etc. But since there are still a lot of regulatory approvals which is expected. As the Chairman said, I think, we will keep this for another day because there will be an occasion where the NCLT will call for a shareholder meeting and we shall answer all those questions related to the merger.

Customer complaints. I think, first of all, I must, Mr. Raman raised this point about his issue. I think, extremely disappointed if you have been hurt or if there has been such a callous attitude from our side. We will get into this. I will come and meet you at your place and resolve this issue. So, I will request Santosh to fix a time where you are convenient and we will go to Thane to meet you so that your issues get resolved.

As regards our culture, the employee culture, that's been one of our priorities and that's something that we've been focusing. It's not that we have not. Look, you know, whilst both Ajay and Kartik, both of you have raised certain issues viz-a-vis the employees, maybe what you have faced in your tenure as an employee in the organization, you now, there is also another side of the story as well. But our culture is that we will not sort of say anything about yourselves in a public domain. But we will sort of have a discussion with you. Ajay, as regards your appeal for medical expenses post your retirement, we will examine this. It's something that we probably will have the CHRO to sort of discuss probably with us and we probably could have a solution to that.

I think one of them did ask that with the merger will there be a concentration risk and will we be able to even provide home loans? I think that's a very wrong notion, wrong thought. The reason why we are merging is because the opportunity to grow will be much more. Home loans is one of our extremely emotional products. I think while we will have 35% proportion of our global loans in over total advances in home loans, it is a very secured product so the concentration can be higher. But at

the same time, you know to explain the dynamics all our businesses will also be growing. So, the proportion doesn't mean that the proportion will go awry, it will be in a range bound which is very comfortable even from a risk management perspective. So, the entire reason why we had announced a merger and we are all hoping and praying that the regulators approve that is the fact that India is going to be a land of opportunity for both banking services and also mortgages. And that with our reach, with our balance sheet, with our capital position I think we will be able to harness this even better to take mortgages to the smaller parts of the country.

NIMs you know has been a range bound and someone is asking a question as to whether we will continue to maintain at 4%. See NIM is function of a lot of things, if you really look at it, it is a function of how I price, we price our loans and how we manage it vis-à-vis cost of funds. I think the Bank has always had a wonderful asset liability management, no credit to me, but there's a team an ALCO committee which sort of ensures that the pricing is in tandem with the cost of funds, and the duration, modified duration of our assets and liabilities more or less match. So, if we really look at it the spreads for the corporate segment or the NIMs for the MSME segment or the NIMs for the retail segment are all reasonably range bound as they should be. Having said that at a country level, at an entity level, at a Bank's level, the NIMs change depending on the mix. If you go back 10 years the mix has been reasonably, you know consistent, our retail mix was about 53-55%, our wholesale or corporate mix was about 45-47%. So therefore, the NIMs were range bound around the 4 to 4.3 or 4.2. In the last 2 years during the Covid for all the reasons that you know I know, etc., you know, it was a period of uncertainty and that is what the Chairman sort of mentioned in the beginning in his speech. So, with so much of uncertainty and none of us knew what's going to happen so we had to protect the unknown so we clamped, we sort of slowed down some of our retail growth, we slowed down some of our MSME growth but the ones which we are extremely comfortable - the corporate segment grew very well because there was a huge demand during that period of time. So, during these two years the proportion of the business mixes changed dramatically. What used to be 45-47% for corporates went up into the 53-55% or 56%. So retail has come down. So, while the segment NIMs are all the same, and range bound because mix has changed it has come down to the 4%. So, we believe the proportion, the NIM outlook is not so much, you know, if it is consistent then you can have an outlook but also depends on the proportion of how the businesses are moving. We believe as economy is opening up, we are a player in the Indian economy, consumption is one of the drivers of the Indian economy, so slowly but surely over the next 12-18-24 months the retail proportion should go back to the pre-Covid levels then we should see the margins around the 4 to 4.2. With the merger, the housing loans margins are lesser so then you will have a different range post that. So, you need to look at not as what NIMs are, but what is the return on asset, is the Bank continuing to run its businesses with a stable 1.8 to 2% return on assets if that is the case that means it is all right. So, the appeal to a lot of investors is that we sort of look at it holistically.

We do have a lot of recoveries every year, a large part of the recoveries is from the retail because that's what moves on a programmable basis as it moves to NPA and then it gets into an upgradation or recovery or into write-off, and then we recover from the write-off. Since one the shareholders have asked about what is the larger portion or the sector of the segment which contributes the recovery from the write-off zone, it is largely the loans, because we don't have too much of corporate exposures which get into that kind of mortgage.

Yeah, you know, end use monitoring a lot of questions, one of the shareholders did ask about the monitoring I think you know we have a very strong risk management or credit management, that's our

USP. We have our Credit administration department, which also sort of monitors fair amount of end use, of where the amount is going, we have a very established way of doing that for the corporate side, for the SME side. Retail, yes, to the extent that it's inter-bank transfer or within the Bank it is very easy to do that, but individuals can also withdraw cash and then that may not be so easy to understand where they are using that, to that extent there will be limitations, that's something that we need to all understand.

A lot of questions on CSR, I think we have a board approved policy of where we spend on CSR and where, and we are pretty proud of the areas that the committee of the board and this is driven very actively by the committee of the board, CSR committee of the board. One of the challenges that we have is to ensure that and that's a kind of a direction that the board has given to ensure that we not only deploy these funds in projects which has a substantial impact to the social strata of the economy of the country, but also have an impact assessment constantly done so that we know the end use of such funds is directed to the right cause.

Now I want to sort of add to what Vinayak Bapat has been saying, I know and you have been saying this that we have not met shortfall of the 2014-15 of 131 odd crores or 113 crores, you are right, we have not. The reason for that is, see, you know I can just add another 113 crores I can put into a particular NGO or give it to them, etc. You know much as we all would like to believe that we are matured in a project implementation frankly it still in the infancy stage. When you look at the partners, when you look the integrity of the partners, when you look at the impact assessment, all this takes time. So, availability of funds is not a problem, but trying to channelize them to the right causes and trying to ensure that we have a lot of integrity in its deployment and we have a proper impact assessment will take time. India is not geared we don't have partners who can you know do that so extensively. You may have a view; we have seen it that we want to deal with only the right ones where we have a lot of comfort. But having said that let me give you this comfort that we may sort of, we take your point and we can have a glide path into as to how to catch up on this with time maybe in about 3 years' time. But more after we get a lot of comfort on the partnerships that we have and how we deploy this excess or the shortfall that we have now sort of covered even though there were no regulations at that point in time. I see your point saying that we need to be like Tata's, etc., holier than thou but we are not yet ready. Tata's probably have years, more than 100 years of running this kind of philosophy and philanthropic activity so they have a lot of resources and net working and institution to do that. We are just building it, it is just 5-7 years, it will take another few years before we can have that kind of a stature to do that seamless thing.

Well, you know, this is a question that keeps coming about on the contingent liabilities, let me just address this once and for all. One of the key components of contingent liabilities is the foreign exchange spot, foreign exchange forward contracts, derivative contracts. So, when you buy any foreign exchange, there is a rupee lag and there is a dollar lag, so you have a contract, so the way it is accounted for, the notional amounts are all added to as contingent liabilities. Don't ask me why, but that is where the accounting standards insist that you need to take notional amount, you know, suppose Rs. 100 is equivalent amount both will come in as in the continuous liability. But the risk is not Rs. 100, the risk is only on the differential, the market risk is only on the differential, or the credit risk is only on any exposure on the other person probably if he runs, the counter party risk. So frankly the amount should not sort of scare any of the readers of the financial statements that's how it is, we have to follow that. But when you look at the risk rates which goes into these contingency liabilities it is very small, a customer contract will, it could range between 0.5 to 2% as risk rate and it

demonstrates that the risk is smaller. And as the Bank, the philosophy of the Bank and if you look at our treasury philosophy, they have never taken too many open positions. Their open position is very, very small for the kind of size at which we run our operations. And these contracts are because we are one of the largest players in the trade businesses. There's a lot of trade that's happening whether for imports and exports or bills collection, and then we utilize that opportunity to provide hedges to customers or companies and then we lay it off in the inter-bank markets. So that's why you have a larger proportion of contingent liabilities and that one of the key components of the contingent liability why it is up by about 40% is one of what the investors had asked.

In terms of a lot of questions on the segment profitability, I think I have covered, alluded to it as to why during Covid period both in FY 20-21 and 21-22 the segment which sort of really grew was your corporate book and that's why the wholesale segment is up. In the same period as I mentioned because there was so much of uncertainty we clamped our retail growth and when you clamp our retail growth obviously your books start to deplete because your new book is not adding. And then, yes, we were also impacted by Covid. We have a lot of our customers especially the non-salaried segment which were impacted by Covid. And so therefore we had slightly higher losses in the retail segment. It happens during every event, we had a similar event in 2008-2009 during the global financial crisis, we had it in a small way during the demonetization phase. Whenever there is natural calamity we will have a little bit of spike in the retail. And now during Covid, it is once in a 100-year event and therefore all of us know, all of you know that a lot of people did get impacted so this is expected. But relative to the banking system, I think we have been able to manage the NPLs much better than what we even expected which is commendable as the Chairman said to the team on the ground level.

Q1 performance, I think we have just released the results today, you know, the rates have gone up as you know, so some of the bonds that you are holding have losses but despite the bond losses, I think the Bank has produced a 19% increase in their profit after tax, so once again on your behalf I would like to thank the team which has done that. It is a reasonably healthy performance, of course, one cannot sort of you know, even the bond losses or valuation losses, it is not realized losses, as the bond matures we recoup all these losses as gains, etc. Credit cut performance has been reasonably commendable, once the embargo got lifted I think some time last year I think the Bank has started to ramp up and gain the market share, we are now roughly around 17 to 18 million cards. Our spends have also gone up, it is an industry phenomenon whilst people have started spend outside of Covid. Therefore, we are market leaders once again on the number of cards, we have almost a 47-48% on the receivable on cards market share. So, I think we are back in the saddle, it will take a little bit of time for the profitability to sort of get back to the pre-Covid levels maybe another 6 to 8 months' time. But all I can say is that we are back in that.

What is the trend of cost of funds, you know this I mean you have seen, the Chairman also mentioned this with inflation, whether in India or outside India, the rates are on an upward trend. But the good part is if all of you have read the monetary statement of the governor of the regulator, I think you know there is we probably seem to be in a better position than anyone else in the world. And a lot of good work has been done in a very synchronized manner between the regulator and the government of India. So I think there is surely a trajectory all things remaining same as we speak that the inflation numbers which is forecasted by the regulator should be climbing down after September to the pre-Covid levels by March which means that it will be at the upper band of their comfort level which is a very commendable achievement. And if that is the case then the amount of interest rates that we

expect will be there, we can see some amount of interest rates but not as much as what other people see in other jurisdictions like US or in Europe.

Yes, I did mention in the annual report in various interactions with the investors on digital launches, I have mentioned that you will start to see a lot of small things being launched maybe from July-August onwards every 3-4 weeks. We do have a plan; I think a lot of hard work has gone in by the technology team over the last 12-18 months to build technology rails. I think the world at large including the customers, and the shareholders will start to see the engagement layer, the customer experience launches coming about over the next 3-4 months such as you know we had just launched recently and silently a customer experience hub which is going to be a much better version of the telecom banking centre. We have just launched it for small products like social media and SMS and emails and then we will go to voice. So slowly but surely customers will start to experience better omni channel experience on how they engage with the Bank. We will be launching a payment app because one of the shareholders did talk about PayZapp where you don't have, he mentioned about one particular aspect where cash backs are not instantaneous. There may be a lot of reasons why it is not instantaneous, it is not because of technology, it is also, you know, when you buy a product on an Amazon or a Flipkart, we don't want to sort of give you an instant cash back because you could sort of send that back to Amazon or Flipkart, there will be return. So therefore, there is a cooling period of about 30 days sometimes even 60 or 90 days I wouldn't know exactly, but there is a certain policy there. But having said that there is a new payment app which is not sure what the team is planning to do to rename this particular platform as PayZapp or any other name, that will be miles ahead of our existing platform and probably you will have an instant cash back there.

So, we will be launching a fair amount not just on the retail side but also the corporate e-net banking, we will be launching a new mobile app, we will be launching as I mentioned the payment app and a lot more for the SME platforms as well.

Foreign branches, a fair amount of questions on foreign branches, you know, India is such a large country and the opportunity here is so huge, the philosophy right through not just now has been why do we need to dissipate our energies and go out of the country. So that has been our philosophy, so that's why if you see our proportion of our balance sheet outside, we have about 3 branches one in Bahrain, Dubai and probably in Hong Kong. And we have another one in GIFT City so 4 branches. And we have an approval to open in Singapore, but it is just 5 branches. It is just to cater to our non-resident Indians and also to our customers, our corporate customers who have trade linkages outside of the country. Now with the merger we will examine whether there is merit in opening some more branches, but it is not going to be so significant. India is so, the opportunity is no huge, we will continue to be, a large part of the business will continue to emanate from India itself and that will be one of our, the thought process will continue to be there for some time.

RBI approval on ERGO, I know we have got the approvals, but considering the fact that this has come in at the time when we have announced a merger, obviously we have shelved this, we don't want to do anything till we get the approvals for the merger and then we will take a call. It doesn't make sense now adding an investment in ERGO doesn't make sense because ERGO will come in as a subsidiary of HDFC Bank as and when the regulators approve. So therefore, it does not make any sense for us to invoke that approval and invest at this point in time.

Yes, the Chairman did mention about some of the penalties that we have been slapped by with either the regulator which is RBI or even SEBI. It is unfortunate despite the fact that the amount of investment or time right from the board you should see the kind of intensity at which the board members focus on compliance requirements. Obviously, you know, we have sort of learnt it the hard way, I think these are past transgressions or aberrations that have happened. But we can all assure you on behalf of the board and the management that our focus is how to ensure that we are compliant to the T. Yes, there will be sometimes when there could be a little bit of an aberration or a miss and it could lead to some amount of penalties. But I can assure you that the focus is so high that over a period of time our wish on this point should be zero, I am not sort of committing anything but this is the way we are working from a compliance perspective.

POSH complaints completely agree with you, it is something that is very embarrassing, very unfortunate. At least I am happy that things are coming out into the open, at least people have the confidence and people have the courage to complain. And it is several big steps but still even I agree that it is not a great culture, it is all about awareness, it is all about training, it is all about naming and shaming if at all we find the people guilty. Here it is a non-negotiable thing wherever we find people who were proved guilty we have an independent committee, the management does not even get into this and if that is proved I think there is a very stringent and severe action which is severance of course, but also naming and shaming.

Why, where did we go wrong on the SAT order probably we will have some of our experts write to you as to what happened there.

Kartik, you did mention about *gundagiri* and sales target. You know, we are a high performing organization, lot of execution focus etc., when there is an opportunity if you don't go for it, you know, you will have someone else take it up. But having said that I am personally driving this we are against any toxic culture. Wherever we find evidence we have taken action, where we don't have evidence you know I cannot do anything. But having said I listen to you and hear you out. But at the same time I want you to keep in mind, when you do meet me I want you to ensure that you are fair because you also have to look into your own performance as to why you, what happened to you and what is the thing. But if there is any evidence and that is kind of, we have an independent vigilance function, we have a third line of defence which is audit which does a lot of mystery shopping even on employee complaints on these kind of aspects, softer aspects of our culture, and if we do find and I can tell you, you know, wherever we have an evidence we have sacked people even though they may be great performers. Having said that it is not appropriate for anyone including me to comment on anybody or cast aspersions on anyone without giving an opportunity for the other person to talk about it. It is better to come onto the table have the other person and then confront and probably do that. But having said that I will sort of have you and talk to you and I will have all the persons that you have mentioned in the same room so that it is a very fair discussion that we will have.

The Chairman did sort of speak about the consolidation of real estate, yes, I think there is merit in that at the same time there will be, we are also trying to have hot desks, what does it mean. Today you look at some of our top 6 metropolitan centres where the time to travel is very long. It is all right for branches, you have no choice, you have to go to the branches these are all necessary. But all the non-branch locations we want to try and distribute it across both the, let's take Mumbai across a central and western railway so that people don't have to travel all the way say Dahisar or Borivali to Lower Parel or Worli or Mahalaxmi, etc. We are trying to see whether people can go onto various locations

in that route and join the office, plug-in into the office environment in the form of hot desks. So that's another thought process that we have, but still as the Chairman said there is merit in sort of consolidating some large offices under one main thing. Whether we do it in a tower or otherwise that's something that we will examine as we you know, as and when we move forward.

The economic value added, I think we have sort of had this discussion before, you know there is no accounting standard on the same whilst I know the, what it is supposed to convey but unfortunately it is on a very passive basis, it is something of the past. We have sort of debated and deliberated this, we were not seeing any merit in terms of depicting this particular EVA. I know one of the shareholders you may sort of have an interest but a lot of people, experts, I am not an expert on this I can assure you that, but a lot of people have said that today it is kind of an indicator which is on the wane.

Steps for data protection I think your Bank has a very stringent policy on the same. We are probably one of the few banks to ensure that we have consent architecture. So, if we are trying to use data of our customers for any of our analytics or any other mean for purposes, we do take consent and we are also joining into the account aggregator framework where you will have open consent architecture. So, this is something that we are very particular about in fact, we do have a Chief Data Office who has recently joined from a data governance perspective and we also have a Chief Data Security Officer whose job is more on the security aspects of data. So, the board has cast this as a very important one in this meeting and even meeting the board insisted that we have a separate session on that. So, they are all seized of the importance of this, we are happy to know that the Bank is on the same page, we are very cognizant of the data privacy issues. We have implemented in fact for the GDPR which is the European law we are already compliant and we know what is required. And I am sure whenever the Indian data privacy laws get enacted I think we will be one of the first off, the block to be compliant for that.

The Chairman has spoken about the dividend part of it, the dividend payout ratio why we need to balance between growth and conserving capital. So from a capacity or capital utilization, I think one of the shareholders actually sort of responded in his own speech, and you are right, you know, the very fact that you know there is now an impending merger subject to regulatory approvals, the fact that the economy is now moving up coming out of Covid, the opportunity to utilize capital will be much higher. Because when you have a certain, when the growth rates, the risk asset growth rates are greater than the sustainable growth rates then we start to consume capital. If you look at our trends prior to the raise of capital. We raised capital prior to 2015 January or February 2015, we raised capital in July 2018 so that's why the capital came down as you rightly mentioned and then Covid struck. So, the growth rates during the last two years have been lesser than the sustainable growth rates because we have been, your Bank has managed to continue to grow its profits, etc. So, you know trying to pay that into a higher dividend ratio will be very short-sightedness because we believe that we have a horizon that we will be consuming capital as that's the opportunity that India provides and the Bank is well placed for capturing that kind of a growth. You know, if I do pay as the Chairman was mentioning, you do sort of step up your dividend payout ratio you will be getting to the capital markets when you need it. And the moment you get into the equity markets you will have a further higher dilution and that may have a detrimental impact on your total returns. And, sir, you talked about dividend at 15.5, don't look at returns only from a dividend perspective. I understand for an individual shareholder that that's very important but look at it holistically and since you said that you have been a long-term shareholder of the Bank, your returns that the share price has given to you is also something that you need to take cognizant of. So the returns, and we are a classical compounding

story, there will be times like during this period where you will have a very sluggish return, you will have a sluggish return probably in the past during 2008 and 2007 but largely you take a long term view as you have been holding the shares. I think it is a very classical compounding story. So, the returns that your shares give you plus your dividend I think is as healthy as any other entity in the world can give you.

Mr. Bapat, I have spoken about the CSR shortfall and on the IT scale up you are right, the kind of rap that we got from the regulator was an eye opener. I think the board has directed the management and they have a very intense focus through the IT Strategy Committee and the board, in terms of what we do in technology, how we are now progressing on technology including whether it is capacity utilization, whether it is new products, new platforms, etc.

I think one of the shareholders did talk about and I must acknowledge, I think on the tech spend, I think Mr. Dipankar, where you did mention about the concurrencies on our mobile app or mobile and net banking app. Yes, as we are whilst the utilization is 71% we also have invested in a disaster recovery, etc. And we are also moving to a different platform now. The micro services architecture is cloud based and it is more Hibernative space which you probably would understand, you will understand. And that gives us the ability to scale up and down on demand. So, these are some of the investments that the bank has done. But your point is right, you know, not only you but someone else also did mention that the investments in technology are going to be on top priority. Yes, relative to others globally we may be low but you will start to see that. We don't want to spend for the sake of spending. I think we want to ensure that resiliency and scalability - the two things that is very extremely important from a customer perspective so that our downtimes are minimized is something that we are investing, we have the rails in place. We need some more investments on that particular front. So, you can be rest assured that the board is driving this very intensely on the management to ensure that we should never have any kind of outages that we have had in the past even though it was not so severe when you compare with other banks. But from our own reputation perspective it is important. I am not saying that we will never have an outage but what we are saying is we will try and minimize that going forward.

Is data stored in India, yeah, absolutely, that is something that we are complying with regulatory guidelines and I can assure you that all data that goes through our systems are all stored in India.

As regards deposits tenures, I think you know when you really look at the composition, the modified duration of our assets and liabilities, it is just about 1.2 to 1.3 years when you take corporate, when you take SME and when you take retail thus far. And when you see therefore a large part of our deposits are in the upto 3-year bucket and that is what we were focusing as an entity. Because whilst we may have said 30% of our corporate loans in the longer-term bucket, we may have some portion of home loans which will be in the longer-term bucket. We already have the AT1 bonds, the capital which is there which is going to be long term, so therefore we never needed that kind of extra emphasis on the long-term deposits. But now with the impending merger subject to regulatory approvals, if that happens, if that is going to be a reality, then the Bank will start to think of how we can raise long term deposits as well. So probably there will be an opportunity when the merger happens as and when the regulator approves the same, so we will, the ALCO which is primary body which sort of determines what are the rates that one needs to offer so that they are able to raise funding to match the assets which is the Asset Liability Committee, I think they will sort of think

about this the appropriate time when we start to get our approvals for the merger with HDFC because then you will have a longer term asset which we need to fund on a longer term basis.

There are a lot of other questions which some of the investors have asked. Some are rather granular I think we will respond to each one of that through our company secretarial unit, so please bear with us at that point in time.

Including on like how we have launched our express auto loans we will be launching similar kind of things on the personal loan of other products which are within the Bank. Yes, when the merger happens we will also sort of think through, I probably may not be aware maybe HDFC Limited already has plans, they maybe already offering express loans or home loans as well but, of course, only on the sanctioned part because I would logically I would think that the valuation, the property checks will need some more time, so the express loans there would not there up for disbursal but it would be up for sanctions, you cannot have an express loan including disbursal you need to check the property, the collateral, the valuation, etc. So, some products it may be feasible, it may not be feasible so we need to be practical about it.

On deposit agents of HDFC Limited, you know these are under consideration, we are looking at from a compliance perspective whether they will continue, can they, you know from a regulatory perspective will they be allowed, etc. I think more or less as and when the merger happens closer to the date I think we probably will have better clarity on that particular front. But we are seized of the fact that these are extremely good agents and if we have an opportunity we will be more than delighted to sort of patronize these agents as well. That's a commitment from our side but we are just awaiting regulatory clearance on that.

Attrition, I think a lot of people have talked about attrition, yes, it is I think around overall attrition is about 19%, but there is a certain higher attrition in the youngsters, etc, there is a higher early attrition which is pretty high and a little bit embarrassing. You are spot on and that is an area that we need to focus. You know, if you really go back in time the court period was under control and because the Bank is very humane, we never let anyone go, we paid bonuses, incentives and salary to everyone of them. But as the economy has been opening up I think we are seeing a lot of poaching happening. I think the Bank has, one of the travails of the Bank has been if you are a market leader, you know, you are the favorite poaching ground for all big competition entities. But having said that whilst that may be true, and there is conscious HR strategy that anyways you are having a certain inherent trait where people will poach, people will pay whatever you pay they will pay slightly more because it is a very trained resource. So, all leaders, leadership companies in any sector you take, this is one of the malaise or the travails that we have to go through. But having said that I think there are a lot of the curable ones that we can address be it in terms of you know how do we provide a career path, how can we reduce the number and increase the unit, pay off some of these youngsters, etc. One of you did mention about whether we can create a school for training or camp, there is nothing which we can't do, we will try it out. Let me also caution you that even when you train and you put in so much of effort it has got to be even more tougher for us to retain because the competition is waiting for that for such trained resources. So, it is not an easy solution, it very easy to sort of all of us say that we need to get down attrition. I think we are all working hard between the respective verticals and the HR team how to minimize this, we cannot make it zero, this is ground reality. But it is something that is top of our priorities both at my level and at the board's level how to reduce this attrition. But more as we go along

probably and let us hope and pray that we are able to execute our thought processes and let me test it out. And I would love to get it done but we will test out whether our initiatives which we are taking really meet our expectations. But having said that it is a global phenomenon, you take the IT industry, it's ridiculous where all of them whether it is the top IT companies which you and I know or whether it is some of the big tech companies, all of them, or the institutions like us, all of us are having similar issues. I think this is not just India phenomena but a global phenomenon and I think all of us are struggling to deal with it. But I am sure at some point in time things will settle down hopefully there will be sanity in this particular space. People will start to realize. I think we will have to talk to our cohorts in the competition to say that look I think we are unnecessarily increasing wage inflation for no rhyme or reason without any productivity in place. So hopefully I think sanity will prevail and we should start to see better manageable attrition levels not just for us but even at the industry levels as well. By the way our attrition rates, if you take attrition at an overall level it is much lower than other peer banks as well. But that's not to say that we are comfortable, we have a job to do, and we will have a sort of plan to minimize that.

I think more or less I think I am just coming to the, no, there is, oh yes, I think one of the shareholders talked about the fact that the HDB and HSL shares are being traded in the gray market and how did they get it. We have not issued anything to the public. These are all, there is a certain number of ESOPS which you understand, sir, that when the employees have obviously, you know, they have been holding for a long time and they have not sort of, they need an avenue to monetize so there is some brokerage which they may have sold these to. So that's how the gray market for these shares are happening. There's nothing to do with us giving these shares to these brokers. The IPO plan is something that we will contemplate after we have absorbed, we have got directions from the regulator as and when the merger happens and then we will think about it, whether we will be distributing it to the existing shareholder as a Bank is something that we will sort of examine, I am sure the board will examine at the appropriate time.

Online frauds, this is something that we are fighting a large battle. This is a problem, it is a problem that all of us, I take this opportunity to sort of appeal to the shareholders especially since a large portion of the shareholders who are there on this call are all senior citizens. I think we need to be extremely careful because there are, you know, earlier on there used to be thieves who used to come and sort of rob our belongings when they used to walk into houses. Today they have a nice digital platform, it is now a business model. You know, it is a business model which is thriving extremely well and they are looking at soft spots. You know, it is not about the Bank, the Bank is just a conduit. Unfortunately, what happens is the online frauds which most of you know but someone who does not know this, we get calls saying that our electricity payments are due, our telephone payments are due and we are gullible enough to say, oh yes, it is due and can you, the caller you know masquerades as if he is from the electricity board. And he sorts of says that okay I will send you a link, please click on this link, the moment you click on this link you are actually giving control of your device to this particular person. So, while we have been propagating a 'Mooh Band Rakho' campaign which means please don't open your mouth, don't share your password, don't share your account details, don't share your credit card details, whoever it is, even with your family. I think we need to ensure you are highly protected. We have done a lot of campaigns but still we still feel sad when a lot of our customers are falling prey to these fraudsters and then because of that you have willy-nilly shared the OTPs that come on to your because you have fed all your details when he has asked you to click. So please be careful of that, this is a menace that not just we are facing but the entire banking system is facing not just in India but globally. We are trying to do a lot to protect our digital platforms, you know, on a

very proactive basis, we are having a lot of wrappers around the platform so that the fraudsters cannot view the, even if they take control of your device of your phone or your laptop or iPad or your desktop, we are trying to see how we can protect. It will take time but until then the only way we can sort of help the customers is to step up our awareness campaign which we are doing and we need all of you who are there to spread the word. So, this is a problem and this is something that we are trying to minimize but we need help from customers as well.

I think more or less I think yes, I do acknowledge on the service first culture, this is our priority, we are not perfect, whilst we have brought down the complaints in the last two years by 30% each year, but that's not enough. We are not sort of complacent about that, we are not sort of satisfied with that, which is the reason why we are having this as a priority. And you know, we have initiated on our own a couple of years ago the bottom NPS Net Promoter Score, and the picture is not so good, we may have improved, the trend may be good but still we have a lot to do, we have a long way to go, we have lot of detractors. So obviously there are a lot of things that we are trying to do, we are trying to attract [a] in terms of the speed of response to customers for their financial needs, for their queries, for their instructions, for their complaints etc. And that is just, you know we are trying to tighten the roles and responsibilities of the supervisory architecture. In addition to that we are trying to see how more and more services can be migrated to the technology platforms correctly so that they don't have to come to the Bank for their services and then get worried about the execution of that. As I mentioned we have launched a customer service hub, it should sort of change the way customers deal with the Bank, but it is going to be a phased launch, the moment may be by December when you start to take the voice calls into that, I think customers should have a better reaction or response time from the Bank. But I can assure you I am happy to sort of interact with you if you are the expert on that because we need a lot of help and we are trying going all out, we are relentless on this particular aspect not just me but also the board and all the senior management who are working harder on that. We have not reached the perfect state as yet and this is something that we will continue to work on relentlessly.

Yeah, credit card reward points, why should it be expired. I don't have an answer, I mean obviously these are decisions taken by us but point to ponder, I think we will examine that if there is any economics that sort of helped us but I understand where you are coming from, probably as a customer even I may have expressed similar kind of a voice some time ago. But we will re-examine this.

I think more or less I hope I have covered most of the answers I may not covered other micro granular details, sorry about that, but surely through our Company Secretary I think we will try as much as possible to reach out to each one of you by email, and if you have any further questions happy to sort of take them on the email through the year as well.

Thank you so much for your patience, and thank you for all your feedback, thank you.

Mr. Atanu Chakraborty – Chairman, HDFC Bank:

Thank you, Sashi.

I hope we have addressed most of the queries in fair amount of detail. However, if something is still left out apart from that we have noted that which were more granular in nature would be replied

separately, feel free to reach out to our secretarial department by way of an email and replies would be given.

It has been a long day for the shareholders, you have been very patient all through the day, and I am grateful for that. Before I conclude the Annual General Meeting of the Bank I reiterate that the window for the voting at this meeting by the members will be available for the last 30 minutes after the conclusion of the meeting. I request the members who have not voted to vote before the voting window is closed. The board of the Bank has appointed Mr. Narasimhan, Practising Company Secretary as a scrutinizer to supervise the e-voting process. I authorize Mr. Santosh Haldankar, Company Secretary, to receive and declare the voting results. The result of the e-voting along with the scrutinizer's report would be declared within 2 working days of the AGM and would be communicated to the stock exchanges and also published on the website of the Bank and NSDL.

I thank all the members for attending the 28th Annual General Meeting of the Bank and declare the proceedings of the AGM as closed. On behalf of the entire of the board and the management I once again appeal to the members to take care of themselves and be safe.

Thank you.

Moderator:

Thank you.

(E-Voting begins)

(END OF TRANSCRIPT)