

43rd Annual General Meeting of
Housing Development Finance Corporation Limited
30th July 2020, Thursday, 2:30 (IST) to 5:00 (IST)

Chairman's speech - Mr. Deepak S. Parekh

Dear Shareholders,

Good afternoon, I hope you and your family are safe and in good health. On behalf of the Board of Directors, I welcome you to the 43rd Annual General Meeting of your Corporation conducted through a video conference facility. It is indeed my regret that I am unable to meet you in person but we are in unprecedented times. It is now nearly 130 days since the national lockdown was first announced in India in March 2020. While restrictions on lockdown have gradually being lifted, the sense of unease has not abated. At HDFC, we are giving it our best to continue running the business despite the odds and even here, at our AGM, though we are meeting virtually we still have a chance to interact with each other. We have to be adaptable to the new normal.

It is 2.30 pm and I have been informed that the requisite quorum is present and accordingly call this meeting to order. With me present here in the boardroom of HDFC's office are Mr. Jalaj Dani, an Independent Director, Mr. Keki Mistry, our Vice Chairman and CEO, Mr. Srinivasa Rangan, who is our ED and Chief Financial Officer, Mr. Ajay Agarwal, the Company Secretary. I welcome all the Directors of the Corporation who are attending through video conference Dr. J. J. Irani, Mr. Nasser Munjee, Mr. U. K. Sinha, Dr. Bhaskar Ghosh, Ms. Ireena Vittal and Ms. Renu Sud Karnad, Managing Director. Thank you to the Directors for attending. We have 100% attendance. Thank you. Also, in attendance at this AGM are the representatives of the statutory auditors, secretarial auditors and the scrutinizer. Shareholders may also address the queries to the auditors or anyone else during the Q and A session.

Since there are no qualifications, observations or comments on the financial transaction or matters which have any adverse effect on the functioning of the Corporation in the statutory auditor's report and the secretarial auditor's report, the same are not required to be read. I hope you have read the Annual Report and have assessed both the standalone performance as well as the consolidated performance during the last financial year. I hope you also read the notice and are aware of the resolutions proposed to be passed at this meeting. Before I highlight some of the major developments of the Corporation during the last and current financial year, I would like to take this opportunity to briefly share some of my views on the macroeconomic scenario and how I perceive the current environment.

It has been an extremely challenging time for everyone. People have lost their loved ones and many have had their livelihoods snatched away from them for no fault of theirs. Yet, from the utter despair that the world was into since the end of March and the month of April, since then there has been a great deal of stability in the financial markets. Global fiscal support towards the pandemic now stands at US \$12 trillion and monetary policy across the globe has eased through lower interest rates, liquidity injections and massive asset purchases. Even in India, various fiscal

and policy measures have ensured that there is adequate liquidity in the system. Interest rates are lowest in the last 10 years in India. My view is that one should not be too perturbed with forecasts of negative GDP growth rate. Most believe that India's GDP growth rate which was slowing down in the pre COVID era will contract by about 5% this year but recovery will happen assuming no lengthy and complete lockdown in future. Since independence, India has had a recession only three times-1958, 1966 and 1980. In each of these years, the reason was the same. The poor monsoon which hit agriculture, and, at that time, agriculture was a sizeable part of the Indian economy. Today, the bright spot for India is the rural economy. A good monsoon, strong agricultural growth and government's support through rural employment guarantee schemes is enabling rural consumption to lead India's overall recovery. Food grain production is expected to hit a record high of 292 million tons. Kharif sowing has now been healthy also. Certain sectors are limping back to normalcy but the strong probability of cycling in and cycling out of lockdown does remain. Signs of the wheels of the economy beginning to churn are evident from the fact that unemployment rates have tapered down from their peaks in April and May. E-toll collections are higher as are e-way bills. Digital transactions and GST collections which are back to the 90,000-crore level although this may include some carry forward from the previous month. Demand for two wheelers and tractors have risen even though passenger and commercial vehicles demand remains subdued.

Let me now turn to the housing and real estate sector which is core to our business. At HDFC, we will continue to support the government's endeavors towards affordable housing for all. HDFC was close to touching the 2 lac mark in terms of the number of beneficiaries under the credit linked subsidy scheme of the Government. But despite COVID-19 derailing our plans, we are sure we will get there shortly. We remain the leader in terms of having the largest number of customers who are beneficiaries under the Pradhan Mantri Awas Yojana. Especially in the major cities, sold inventory was already high in the pre-Covid era. The inherent demand for home loan continues to remain strong and the combination of low interest rates, fiscal incentives and steady to some softening of real estate prices bodes well for new home buyer. Customers today prefer ready to move in homes over under construction ones. I do hope that some of the state governments will offer some sweeteners like say a temporary stamp duty waiver to encourage all home buyers. The commercial real estate sector has been impacted largely due to massive migration of labor, which is making resumption of projects a challenge. The sector needs support and policies are needed which will encourage laborers to come back to the construction sites with adequate protection. This is important because construction is the second largest employment generator in the country. There is however a misconception that demands for commercial real estate will diminish with more opting to work from home. Many large companies have in fact applied or leased commercial properties during this period, particularly in Bangalore and Hyderabad. There is demand for real estate for newer sectors like warehousing, e-commerce companies and from cloud and data center parks as they seek to increase their data storage capacities as well. HDFC has been a huge beneficiary of the flight to safety and would like to take this opportunity to thank all our depositors who have reposed enormous faith in us, especially in volatile times, a strong retail funding franchise is very important and our deposits have been a strong contributor to our incremental funding so far.

Let me talk about a few highlights of the financial year 2020 and the first quarter of the current financial year. The Corporation remains steadfast in its commitment towards affordable housing.

In financial year 2020, 36% of home loans approved in volume terms and 18% in value terms have been to customers of the economically weaker sections and low-income groups. On a pan India basis, the average size of individual loan stood at ₹ 27 lakhs and the assets under management as at March 31st, 2020 stood at ₹ 5,16,773 crore against ₹ 4,61,913 crore in the previous year. In accordance with the NHB norms, gross non-performing loans as on March 31st stood at ₹ 8,908 crore which was equivalent to 1.99% of the loan portfolio.

As per the prudential norms prescribed by the National Housing Bank, the Corporation is required to carry a provision of ₹ 4,198 crore of which ₹ 2,267 crore is on account of NPA and the balance in respect of standard assets. The actual provisions carried as at March 31st stood at ₹ 10,988 crore. The profit after tax for the year ended March 2020 was ₹ 17,770 crore which includes the sale value gained on account of merger of GRUH Finance with Bandhan Bank Ltd. Based on the performance of the company, the Board of Directors has recommended dividend of ₹ 21 rupees per share of face value of ₹ 2 each for the financial year just ended, which is equivalent to the total dividend declared for the previous year. The payment of dividend will commence tomorrow subject to the passing of resolution today. The Corporation now has shareholders' approval to raise up to ₹ 14,000 crore as fresh capital.

We believe we must raise capital from a position of strength and must be ready to capitalize on inorganic opportunities or be able to comfortably fund expansion plans of our subsidiary and associate companies that have helped create long term share value to our shareholders. The financial results of the Corporation as well as the consolidated results for the quarter ended June 30th have been subjected to a limited review by the statutory auditor and approved by the Board at its meeting held earlier today. On the quarter ended June 30th, the average size of individual loans was lower at ₹ 24.6 lakhs. This is reflective of the fact that there is little demand for high end luxury homes and demand remains for affordable homes. As of date, 80% of all individual loans have migrated to digital sources. This has been a significant change. Given that most of the first quarter was under lockdown, the Corporation changed its strategy where 83% of incremental business during the quarter was from non-individual loans given to strong AAA rated corporates.

We remain confident that individual loans are on their path to recovery based on trends seen in June and July so far. The standalone profit after tax for the quarter ended June 30th was at ₹ 3,052 crore and the consolidated profit after tax attributable to the Corporation stood at ₹ 3,614 crore. You would appreciate that many items in the statement of P&L for the quarter ended June 30th are not comparable with numbers of the corresponding quarter of the previous year.

Coming back to the businesses to be transacted at the AGM, the Corporation has provided the remote e-voting facility to all its members to cast their vote on the following resolutions proposed at the meeting.

I am not reading out all the resolutions but there are 10 resolutions, adoption of accounts, adoption of consolidated accounts, declaration of dividend, re-appointment of Ms. Renu Karnad as Managing Director, re-appointment of Mr. Srinivasa Rangan as Whole time Director of the Corporation, related party transactions with HDFC Bank, issue of non-convertible debentures for

the year and the approval for sale of shares of both HDFC Life and HDFC ERGO in order to meet the Reserve Bank of India requirements where we had to sell one odd percent in the companies. To facilitate the members who could not cast their vote through remote e-voting, the Corporation has offered the facility of e-voting during this meeting through the e-voting portal of NSDL and it shall commence after the conclusion of the Q and A session. There will be no voting of the resolutions by show of hands.

I would now like to invite questions from the shareholders who have registered themselves to speak at this meeting. May I request you to be brief and restrict your questions to the matters as set out in the notice of AGM and the operations of your Corporation for the current year. I would request you as we have large number of speakers to restrict your speech to three minutes each. As it is customary, I will answer your queries after all shareholders have asked their questions.

I shall now request the moderator to read out the names of the speaker shareholders in order of their registration. The first speaker is Ms. Ashalata Maheshwari.

Mr. Arunabh Bhattacharya, Moderator of the meeting - Yes Mrs. Maheshwari, you are audible, we can hear you.

Ms. Ashalata Maheshwari: Chairman Sir, all Directors my name is Mrs. Ashalata Maheshwari. Chairman Sir, the way you along with your team accelerated growth and enhanced shareholder value in this difficult and challenging environment, especially during Covid-19 pandemic. Not only that, earlier you gave us shares of HDFC Bank and after that two IPO's made shareholders wealthy. Considering all this, I will mention two words for you - You have made people happy and wealthy, HDFC is proud to have a jewel like Deepak Parekh. Hail to Parekh Sir. Just tell me one thing only. Why have you stopped wearing suit these days? I have seen you three times in white shirt. Don't do so much cost cutting. I also thank Ajay Agarwal and his team who, even in these times of pandemic, sent us the detailed annual report on time. They have made a good arrangement for AGM. Results deserve an excellent grade. Even in such a competitive scenario, loan book has increased by 11%, consolidated profit increased by 30% and public deposits increased by 25% and you have also increased dividend to ₹ 21/- per share. Thank you for taking care of shareholders even at such difficult times. I will not ask for bonus from Chairman due to COVID-19 pandemic. But the demand for bonus will remain till you empty the coffers. Chairman Sir, what is the effect of this pandemic on HDFC and group companies? When do you hope the economy will recover? What is the effect of RBI moratorium scheme on HDFC? How many borrowers have opted for this moratorium? HDFC's NPA has been less than 2% till 31st March which is very commendable in this sector. According to you, how much will be the impact of the moratorium on the company? I will give the credit for these achievements to our dynamic CEO, Keki Mistry. There was never another such able MD in the financial sector and neither will there be another in the future. Whenever we see you on TV talking about RBI policy, we are very happy. What is the benefit of liquidity infused in the market by the government and RBI to HDFC? How much have you invested in the reconstruction of Yes Bank and how much will be the return? Ms. Karnad has had a great role to play in the progress of HDFC. We are all proud of you. Chairman Sir, for what purpose was fund raising approval sought through postal ballot? If People Republic of China is still holding shares, how many shares are they holding? When will the IPO of HDFC ERGO happen? Our CEO, Mr. Mistry has created history in HDFC.

He has enhanced the brand value of HDFC and has taken the company to greater heights. I have great respect for him. Chairman Sir, even in this situation you have decided to give ESOP to employees and that is commendable. At what rate will you be giving ESOP? How many employees are working from home and to how many employees have you given laptop? I salute all employees who have risked their lives to ensure progress. I wish you all the best and may God give a long and happy life to you and your families. Special thanks to Mr. Ajay Agarwal and Ms. Lakshmi Shetty for providing support and treating us with so much of respect, with this I provide my full support, Thank you.

Moderator: Thank you Ms. Ashalata Maheshwari, now I call upon the next speaker, Mrs. Homayun Pourdehi. Mrs. Pourdehi we can hear you.

Mrs. Homayun Pourdehi: I saw we are missing our physical meetings. It was a delight to meet Mr. Keki Mistry personally and other Directors, even otherwise, we are happy to see you on stage. We are very proud and very happy of our Chairman and other Directors. Sir, now, I just want to ask a few questions. Well, you are against the extension of moratorium, right Sir? Sir, is it applicable to HDFC also? Sir, how has the lockdown affected our company? Sir, you gave in detail in your speech, we got to know a lot of information, lot of knowledge, but Sir, particularly our company, how has the lockdown affected. You mentioned that there is demand from other sectors like warehousing etc. Sir, are customers coming for housing loans in places that are affected by Corona virus, in certain towns which are not affected, Sir, is there more demand than where it is affected? Please let us know the position of places not affected by Corona virus. Are they getting more clients there? Sir, how much to thank our company and entire HDFC group for having rewarded the shareholders immensely. Either with respect to share price, with respect to dividend. Sir, entire world has complete faith in your HDFC, and Sir, in the Deepak Parekh management and his entire team. Sir, I just wanted to ask you Sir, if you can answer, what is your dividend policy, that's all, though there is no need to ask, we have been rewarded enough. Sir, and last but not the least, they have gone into a lot of effort to making this virtual AGM a success. Company secretary has worked literally night and day contacting us, how to register as speakers, even now, when we are on the line, as to which number speaker we are, whether our mobile is working, so we thank you and the entire secretarial team, the management of HDFC. Congratulations, keep it up for whatever you all are doing in these trying times also. We are supporting all the resolutions. Thank you, Sir. All the best.

Moderator - Thank you Mrs. Pourdehi, we now call upon Mr. Beruz Pourdehi. Sir kindly turn on the video and speak. Mr. Beruz Pourdehi. Mr. Beruz Pourdehi. We are unable to connect with Mr. Beruz Pourdehi.

Moderator - We now call upon our next speaker Mr. Gautam Tiwari. Mr. Tiwari kindly turn on your video and speak. Yes Mr. Tiwari we can hear you please go ahead.

Mr. Gautam Tiwari: Sir, very very good afternoon, Chairman Sir, and all Board of Directors, very very good afternoon to all my Directors and my full HDFC Ltd. team and my fellow shareholders. Sir, in fact, I would like to first of all congratulate you for maintaining last year's dividend even in these difficult Covid times and taking care of shareholders. Deepak Parekh Ji, Sir, when you started HDFC and whoever remained with you, you made them wealthy, we were

after you to provide HDFC Bank shares, you did that, you gave two IPO's, HDFC Life and AMC, and in all this you made us shareholders quite wealthy and that is worth appreciating. You have the Midas touch. You are not just one of the Navratan, you are a combination of all Navratan and you are like the moon and all the stars that are there with you, such as Agarwalji, Lakshmi ji, you all are giving us such prompt, humble service for so long, and we are very proud that we are shareholders of such an organization. Ms. Renu Karnad's efforts are also very commendable and I welcome all the appointed and re-appointed Directors and out of my curiosity Sir, I would like to know certain answers about as follows. What is the effect of pandemic on our business? Sir, I am not able to see your video.

Moderator - Sir we can see you it might be due to some technical issues at your end, you can continue speaking.

Mr. Gautam Tiwari - What are the future plans of the company? Why approval of shareholders is sought for bringing down our stake in HDFC Life and HDFC ERGO, when these companies ceased to be subsidiaries of HDFC? Sir, next is what are the measures that HDFC is taking to ensure the safety of employees who are working from office? Sir, why secretarial auditors have been changed recently and how many complaints were reported under whistle blower mechanism during FY 19-20? What are the sentiments of foreign investors with respect to investing in Indian companies?

Moderator – Mr. Tiwari your 3 minutes are up, request you to kindly wrap up

Mr. Gautam Tiwari - What has been the change in foreign shareholding recently? How has the pandemic affected demand specially in the States which are most affected like Maharashtra, New Delhi and Tamil Nadu? Chairman Sir, I would like to thank all the employees, staff and officers also for their contribution and providing services. Once again, I would like to thank our secretarial department, Ajay Agarwalji, Lakshmi ji and our finance department whose services are excellent and humble even during the difficult Covid times. Deepak ji, your Midas touch will keep the company in brighter condition. I wish you all the best and the management a very healthy and safe life and a very bright future for the company in the years ahead. Thank you very much.

Moderator - Thank you Mr. Tiwari. Mr. Beruz Pourdehi is now able to connect. We now request Mr. Pourdehi to switch on your video and unmute yourself and speak.

Mr. Beruz F. Pourdehi: Respected Chairman Deepak Parekh and other distinguished Directors. My name is Beruz Pourdehi. At the outset, we are very glad that we are the first housing finance company which was started by your Uncle Mr. H. T. Parekh, and we had attended the centenary year which was celebrated at Y. B. Chavan and Mr. Raghuram Rajan, before he became the governor of RBI, he was invited specially from USA to give a lecture at the centenary celebrations. We really wish that our company has a very bright future and all employees are very much dedicated. Now, many housing finance companies have come in the market like GIC, LIC, and so many others like Dewan, but your housing finance company is one of the best and they are regularly giving handsome dividend. We appreciate Mr. Deepak Parekh, Mr. Keki Mistry and Madam Renu Karnad. We are very happy that our company is doing exceedingly

well and we wish our company all the best and we have already voted by e-voting all in favor, and Sir, we wish our company the best. Thank you very much. Jai Hind. Jai Bharat.

Moderator – Thank you Mr. Pourdehi. Now I call upon the next speaker Mr. Mukesh Chandiramani. We aren't able to connect with Mr. Mukesh Chandiramani.

We now call upon the next speaker Mr. Aspi Bhesania Kindly switch on your video mute yourself and speak. Mr. Bhesania we can see you and hear you kindly go ahead and speak.

Mr. Aspi Bhesania: Sir, insurance companies and banks have been asked not to declare dividends for this year. So, why not housing finance companies. You also should conserve the cash for future use. Results are very good for last year but for quarter one, the results were not good. If you remove profit on sale of investments, there is a loss of 2000 crores. Asset management profit has also reduced. I will appreciate if you give a road map for the next one year because everybody is losing their jobs. So, there will be big NPA's in housing finance companies. Sir, thank you and all the best.

Moderator – Thank you Mr. Bhesania. We now request our next speaker Mrs. H S Patel. Mrs. Patel kindly switch on your video and speak. Mrs. Patel we can hear you, kindly go ahead.

Mrs. H. S. Patel: Very good afternoon to all of you. Respected Chairman, Mr. Parekh Sir, Mr. Keki Mistry, our CEO and Vice Chairman, Madam Renu Karnad, our Dr. J.J.Irani on the Board, the lady Directors on the board, and other Directors. Very good afternoon to all of you. I am very much thankful first to our Mr. Ajay Agarwal and the secretarial department for compiling the annual report in a nice way and giving me an opportunity to speak here. Thank you very much Mr. Ajay Agarwal. You have always been very helpful and very attentive to all the shareholders. I am also very thankful to our CFO, Mr. Srinivasa Rangan, who has compiled this financial paper in a very nice way, elaborated it and given it to us. Thank you very much, Mr. Rangan Sir. First, I would like to congratulate the Board, the management team and all the employees for giving us excellent quarter first results of ₹ 3,050 crores net profit in the first quarter. Very good results in such a tough times- COVID time, pandemic time- it is very difficult to get such good results. Chairman Sir, Mr. Keki Mistry and all, we are very much thankful to you for this. Indeed, HDFC is a very bright star in the dark night, a sparkling hope of dark times. I would like to bring forth a few questions. HDFC should have increased the stake in HDFC bank, at least by 25 or 30%, either directly or through subsidiaries. Any plans for that? In such a chronic situation of Corona, real estate segments, specially the commercial real estate are impacted negatively. How will HDFC cope up with such negative impact? Government has started focusing on housing for the poor and has introduced various schemes. How are we focused on targeting such customers? With prices of housing falling and rentals also falling in major metro cities, how does it impact on our business? What steps is HDFC taking to safeguard ourselves? How many real estate projects are financed by our company are stuck or are yet to be completed because of this COVID pandemic? Sir, what is the average cost of borrowing? Our company accepts fixed deposits. This is a very important point for me at least. Can we not launch a special fixed deposit for our senior citizens, or shareholders so that he can get 1% more? Can we not club both senior citizens and shareholders fixed deposits and give 1.5 or 2% more? Sir, these are very hard and crucial times where our people who are earning are sitting at home. We, as senior citizens should

get some preference through your good bank and through your good offices. I request both the Chairman and the Vice Chairman to do the needful in this matter. Certainly, our homes will be materialized in this bank. I wish all and one, good luck to all. I wish the company all the very best to go forward and become a powerful star in the whole country. Thank you very much.

Moderator – Thank you Mrs. Patel Now I call upon the next speaker Mr. Irshad Mody. Mr. Irshad Mody kindly switch on your video, unmute your mic and speak. Mr. Irshad Mody ?. We are not able to connect with Mr. Mody. Now I invite our next speaker Mr. Pramod Roongta. Mr. Pramod Roongta, kindly switch on the video unmute yourself and speak. Mr. Pramod Roongta ?. We are not able to connect with Mr. Pramod Roongta. We now move onto the next speaker. Mr. Kaushik Shahukar kindly switch on the video unmute yourself and speak. Yes Mr. Kaushik Shahukar we can hear you and but unable to see your video, kindly speak. Mr. Shahukar is inaudible.

Moderator - We now call upon the next speaker Mr. Sharadkumar Jivraj Shah. Mr. Shah, please turn on the video, unmute yourself and speak. We can hear you Mr. Shah but can't see you.

Mr.Sharadkumar Jivraj Shah: Good afternoon, and you beat Corona because your quarter one results are so good that profit is increased only by 150 crores which results in less than one rupee dividend. Now, I will talk about the value of prudence in 2019-20. Bandhan Bank received full support [inaudible]. Results of HDFC Bank increased to [inaudible].

Moderator - Mr. Shah you are not audible. We can't hear you. Yes Mr. Shah please go ahead.

Mr.Sharadkumar Jivraj Shah - Loan repayment increased by 5,000 crore. Last year it was only 1919 this year it is 5919 crore. It is more than 5 times. Final cost increase [inaudible]. My other speaker shareholders also said HDFC Bank [inaudible], extra ordinary money which you should distribute it and my last point is sir my courier is pending with HDFC AMC make sure they send it...[inaudible]

Moderator - Mr. Shah kindly conclude as we have many more speakers.

Mr. Shah – Inaudible

Moderator - Thank you Mr. Shah. Now I request our next speaker Mr. Bharat Shah.

We are unable to connect with Mr. Bharat Shah. We now move onto our next speaker Mr. Dinesh Bhatia. Mr. Bhatia kindly unmute your mic and switch on your video and speak. Yes Mr. Bhatia we can hear you kindly speak.

Mr. Dinesh G. Bhatia: Congratulations to Chairman Sir and the entire Board team for HDFC making profit even in current bad conditions and also for giving 1050% dividend is pride for us and also for the progress of the company. In the 10 years progress chart, I have observed that the book value 10 years back was ₹118 and in March of current year, it is ₹ 497. Earnings per share which was ₹ 24 in 2010 is now ₹ 103. We are able to see the progress, although profit is little

less this time, but it is good. I would like to know about resolution no. 8 and 9 w.r.t to sale of stake in HDFC ERGO and HDFC Life, how much is our investment in HDFC ERGO and HDFC Life, and if we sell our stake, how much money will come to the company? How much percentage will our holding in these companies are reduced? Our company helps those who want to purchase house and this is a big thing. As far as I know, ours is the first company to give housing loan easily to middle class buyers. Today also we are seeing that in the housing loan sector, our company is No.1. We are proud that we are shareholders of such a company which helps everyone to buy a house. Thank you to you and your team and I support you in all resolutions. Thank you, Sir.

Moderator - Thank you Mr.Bhatia. Now I request our next speaker Mr. Suresh Kumar Maheshwari. Kindly switch on the video and unmute your mic and speak. We are not able to connect with Mr. Maheshwari. We move onto our next speaker Mr. Tamal Kumar Majumdar. Mr. Majumdar kindly switch on your video unmute your mic and speak. Mr. Tamal Kumar Majumdar. We are not able to connect with Mr. Tamal Kumar Majumdar. We now move on to our next speaker Mrs. Shobhana Mehta. Mrs. Mehta kindly switch on your video unmute your mic and speak.

Mrs. Shobana S. Mehta: Respected Chairman Shri Deepak bhai, other Directors, Smt. Renuji. Sir, due to Covid, we are meeting first time through video conferencing. Sir, our secretarial department, as usual has made an informative balance sheet. So, congrats to our company secretary Ajay ji and his team. Very good and keep it up. Sir, looking at the good satisfactory results, you have given us Rs.21/- per share which is 1050%. Hearty congrats to you and your entire team. Very well done and keep it up. Since COVID has affected people due to loss of jobs, non-receipt of salary etc. and due to which they are not able to pay the EMI of the loan. What steps are the company taking in this situation? Normally, company sends a notice when EMI is not paid for 3 months. What about now? How will Covid affect the prospects of the company? According to me, if Covid effect lasts longer, this can affect the performance of the company. We have high hopes that everything will turn out alright, Covid effect will disappear fast. No repeating the queries already asked, I fully support all the resolutions and wish that the company keeps making progress, gives better dividends and also bonus in the near future. Kindly declare bonus at the appropriate time so that we don't have to keep on asking. Best wishes for Rakshabandhan and all other coming festivals. Wish you all the best in health and prosperity.

Moderator – Thank you Mrs. Mehta. Now I request our next speaker Mr. Vinayak Bapat. Mr. Bapat kindly switch on the video and unmute your mic please. We are not able to connect with Mr. Bapat. Our next speaker is Mr. Ronald Fernandez. Mr. Fernandez kindly switch on the video unmute your mic and speak.

Moderator - We are not able to connect with Mr. Ronald Fernandez. We now move onto our next speaker, Mr. Aloysius Mascerenhas. Yes Mr. Mascerenhas, we can hear you kindly speak.

Mr. Aloysius Mascerenhas: Respected Chairman Sir, very distinguished members of the Board, and my fellow shareholders. Good evening to you all. My name is Aloysius Mascerenhas. At the outset, I thank the management, our company secretary and his team for sending the balance sheet on the video on the computer. I saw it. It is very simple, informative, illustrative,

transparent, and above all, adhering to all the parameters required for a good corporate governance. Our results are very good as shown in facts and figures, charts and pie charts. Now, our PBT is high so also our PAT. Our EPS, our growth, revenue, deposits, everything is good. We have declared a good dividend of 21 rupees per share, same as last year. Very good Sir. So, keep it up, even in spite of the Covid, you have declared this dividend. It is really welcome by our shareholders. Sir, now, our risk management is good, our corporate governance is good, our results are good, our CSR is good and many parameters are good. Now, I would like to ask a few questions. Sir, most importantly, the Covid, which is hampering our economy, how it has hampered our company. How many employees have been affected by this Covid? How many have recovered and is there any death because of the Covid? Then Sir, deposits have gone up, but our interest rate, please keep it up because senior citizens are living only by interest income. Nowadays, Government policies are such as to reduce the interest rate, see that interest of depositors and shareholders are not reduced, at least keep it the same as before. I would like other things also. My wife, who is the next speaker, will continue asking further questions. I will give the mike to her. Please let her speak.

Moderator - Thank you Mr. Mascarenhas. Now I call upon Mrs. Celestine Mascarenhas. Yes ma'am we can hear you.

Ms. Celestine Mascarenhas: Mr. Parekh, Chairman, Vice Chairman and CEO Mr. Keki Mistry, MD Ms. Renu Karnad, Mr. Nasser Munjee, various other Directors. Good evening to all. Coming to the annual report, our working is good. Performance and thereby good dividend of Rs.21/- per share of Rs.2/-, i.e. the payout of 20.5. Also good a market cap. Our company accepts deposits at a good attractive rate. Enjoys good rating by the rating agencies. We congratulate for all the awards and accolades received during the year and also the CSR work done. The lockdown has reinforced the value of essentials of life- food, clothing, shelter and now, the internet. There can be no better security in life than our sweet home. People want a home with all the requirements. How many loan applications received and disbursed in the lockdown period? Mostly what was the ticket size of these loans? I heard Sir, Mr. Parekh, your suggestion of not to extend moratorium, which is now up to 6 months to the RBI governor in the CCI meet. I also feel this is a good suggestion, otherwise NPA's will increase. Instead, your suggestion of one-time restructuring would be a better step.

Now, some of my questions? How much did we gain by selling our 56.1% share in GRUH Finance to Bandhan Bank? Any more disinvestments? HDFC has 3,095 employees. How much percentage are working from home? How long work from home will continue? To unlock the value of shareholders of HDFC, when will HDFC ERGO be listed? Any plans for merging HDFC ERGO Health with HDFC ERGO? Any acquisition in the offing as many NBFC's HFC's companies are available at a really discounted rate? How many of our employees suffered Covid and any death due to Covid? I support all the resolutions. I wish HDFC and the team all the best in the future. Thank you very much for giving me a patient hearing.

Moderator – Thank you Mrs. Mascarenhas. Now I request our next speaker Mr. Adil Irani. Kindly switch on the video unmute your mike and speak. Mr. Adil Irani is inaudible.

Moderator - We now call upon our next speaker Mr. K. S. Balasubramaniam. Mr. Balasubramaniam kindly switch on your video unmute your mic and speak.

Mr. K. S. Balasubramaniam: Dear Mr. Chairman, I am K. S. Balasubramaniam, a shareholder from Coimbatore participating in this 43rd AGM meeting of HDFC, the largest housing finance company in the country with more than 4,75,000 shareholders and 1.73 lakhs home loan customers. It serves as a beacon light to lakhs of middle class, economically weaker sections in providing affordable housing project finance. The last 10 years financial highlights and the beginning of the 388 pages of the annual report speak volumes about the strength of the company. Gross income from ₹ 43,378 crore to ₹ 58,753 crore, PAT from ₹ 9682 crore to ₹ 17,770 crore. Though this cannot be comparable, the fair value gain resulting from the amalgamation of GRUH Finance and Bandhan Bank. Book value from ₹ 449 to ₹ 497, EPS from ₹ 57 to ₹ 103. Though the excellent performance of the company warrants a higher dividend, yet bearing in mind possible impact of Covid-19 pandemic, the management would have taken a cautious decision in maintaining the dividend as last year. RBI has directed all the banks not to make dividend payment pertaining to the year 2020 to conserve capital, preserve the net worth, and absorb possible losses due to the pandemic lockdown. Thank God, RBI has not given such instructions to housing finance companies. The Gross Non-performing loans outstanding as on 31st March 2020 was ₹ 8,908 crore which constitutes 2% of the loan portfolio. Net NPA of the non-individual portfolio was 4.71 %. RBI's projection is that NPA will touch about 14.51% by the next year and bad loans may rise in the months to come after the end of the present moratorium on loans by the end of August. The present situation is that residential sales may fall by 54% and office space demand will weaken by 37%. I am very glad to note that our Chairman had suggested a very valued suggestion of restructuring which is the need of the hour than merely extending the moratorium and postponing the loans from August 31st to December 31st or so, which will in no way reduce the NPA. Sir, RBI has instructed to reduce the stake in HDFC Life Insurance and HDFC ERGO to 50% before mid-December. I hope necessary steps are being taken by your management. RBI has also conducted a systematic risk survey on the impact of Covid 19 pandemic which causes unprecedented disruption in the real estate sector. Both sales of completed houses as well as launching of new projects declining by 52% and 60% respectively. Now, I am glad to inform that both ICRA as well as CRISIL have rated for the first 25 years excellent rating of our company. Sir, now HDFC has appointed 19 merchant bankers for the mega ₹ 14,000 crore fund raising which itself is a great credit for our housing company. The consortium of merchant bankers set a new record in India as far as I could see. Sir, regarding the net interest rate income, our Chairman was kind enough to inform the first quarter results which has beaten the expectations of the street, I should say. What is the present net interest margin, Sir? Is it comparable with that of the corresponding last year? About our company proposed to arrest the NPA which is at present 1.49%. The sale proceeds of the distress asset reconstruction company would get delayed because of the new Fair Practice code informed by the Reserve Bank of India. How we are able to tag that time? Once again, I am really glad to inform that the management is perfect in every respect, the balance sheet is very strong, and the shareholders are very happy to go through all the 388 pages of the balance sheet which speaks of the immense value of the potential of our company. Thanking you, Sir. Thank you.

Moderator - Thankyou Mr. Subramaniam. Now I request our next speaker Mr. Santosh Kumar Saraf. Kindly switch on your video unmute your mic and speak. We are not able to connect with

Mr. Saraf. Now I request our next speaker Mr. J J Sanghvi. Mr. Sanghvi switch on your video unmute your mike and speak.

Mr. J.J. Sanghvi: Sir, first of all, I would like to heartily congratulate company secretary Ajay and his team. They have done a good job of video conferencing. I have one request of you. I have taken a loan, the interest rate of which has not been reduced much. I am not paying the EMI also during the moratorium period. I have a request to you that when RBI has reduced interest rate so much, please reduce my interest rate. I have written a letter in this regards for which I have not got any response. Only I have got some information about lower interest rate. But, I have not received the reply to my letter or email. I have been a shareholder since the public issue of the company, since inception. I am a well-wisher and I am also doing a lot of work related to Covid 19. We have made a sanitizer tunnel chamber which you can keep in the office on the ground floor near the entrance so that the person coming in can be sanitized. If you are interested, I can let you know through Ajay Agarwal. I can give at lower cost also, but please reduce my interest rate, it's a request. I am of age 74. Thank you.

Moderator - We request you to kindly conclude Mr. Sanghvi. Thankyou Mr. Sanghvi. Now we are able to connect Mr. Bharat Shah. Mr. Shah kindly switch on your video and speak.

Mr. Bharat M. Shah: Respected Chairman, Deepakbhai and other respected Directors. I have no queries. There is increase in everything- dividend is good, share price is good, reserves are good and you are doing good activities. Thank you very much. If possible, request you to give 1:1 bonus. Since we are not able to meet face to face, kindly arrange a get together in January or February after Covid 19 comes under control, so that we can meet face to face. I am very thankful to company secretary Ajay Agrawalji, Vaishaliji, Lakshmi ji and the entire team. They support me in all the queries including our joining for this video conferencing for the first time. Thank you very much. Jai Hind.

Moderator – Thank you Mr. Shah. We are also able to reconnect with Mr. Tamal Kumar Majumdar. Mr. Majumdar kindly switch on your video, unmute your mike and speak.

Mr. Tamal Kumar Majumder: Good afternoon Parekh Sir. Mistry Sir and other Directors of the company. Nice to see all of you in good health. Myself, Tamal Kumar Majumder, an equity shareholder from Kolkata. Sir, my first query is that during financial year 2020.....[inaudible]

Moderator - Mr. Majumder we are not able to hear you.

Mr. Tamal Kumar Majumder - Profit on sale of investments of Rs.3,524 crores and on its strength the company provided a massive 5,913 crores as against last year's figure of 935 crores only. So, if we deduct GRUH Finance's profit from this year's PBT, then it appears that PBT from normal business was higher in financial year 2019. Will you please share your thoughts in this regard? Sir, what is the result of this huge impairment of 5,913 crores in financial year 20 against last year's figure of 935 crores? Is it due to moratorium alone declared by the Reserve Bank of India or due to any other factors? Whether it will deteriorate further during the current year? Recently, you requested the RBI governor not to increase the moratorium period any further. How moratorium affected our business cashflow adversely during the current year?

Please share your thoughts, Sir. Sir, after transfer of GRUH Finance, it is noted that Bandhan Bank bought a portfolio of more than ₹ 16,000 crore in housing finance loan. What prompted HDFC management to sell GRUH to Bandhan? What will be its impact on our revenue during financial year 21? Whether, as per the transfer agreement, our company will be able to appoint any Director in Bandhan bank at a future date? Sir, HDFC acquired 51.16 % of Apollo Munich Health Insurance, changed its name to HDFC ERGO Health and now merging it with HDFC ERGO General Insurance. What is the present status of the merger? What will be the new name of the company after merger? Apollo Munich will be part of our company or already exited from the business? Is there any possibility of its listing in the stock market after completion of listing formalities? Sir, the company invested Rs. 1,000 crores in the equity of Yes Bank Ltd in terms of rescue plan prepared by the Reserve Bank of India. What is the rationale in investing in Yes Bank when we have 21.2 % holding in HDFC Bank and 9.9% holding in Bandhan Bank. What is the rationale in investing in another bank? Whether the investment is made on its own or as requested by the RBI? Whether the company took part in the recently concluded follow-on offer of Yes Bank? And whether it holds any position in the market like other investors? What will be our role in Yes Bank? Sir, our company started HDFC Bank and currently holding 21.42 % of its equity that is in the news for all the wrong reasons like forced sale of GPS instruments with every transfer loan which puts the HDFC bank in bad light and its CEO put the entire blame on its vertical head. Would you please share your thoughts in this regard as the custodian of the brand? And Its CEO will also be retiring within October 20. Media reports says that its Board selected three persons for the post and sent it to RBI for approval. Whether you or our company took part in the deliberations as we are holding nearly 22 percent share in it? We want to know your views in this regard. Sir, our company used to collect yearly fees for using HDFC brand by our subsidiaries/associates. What was the total earning in this respect during financial year 20? And, at what rate? Sir, during the year, National Housing Bank imposed a penalty of 18000+GST for non-compliance of two provisions of directions of the NHB Directions in 2010. Would you please share with us the contents of those provisions? Whether we paid the amount or contesting the matter?

Moderator - Sir would request you to kindly wrap up.

Tamal Kumar Majumder - Sir, I have another two questions. It is noted that growth in individual housing loan increased by 14% in financial year 20. What is your expectation from it during quarter 1 and remaining part of the year. What about our loan to real estate sector? Sir, the audit report mentioned that gross value of assets worth 270 crores not yet transferred in favor of HDFC Ltd. Would you please share details? And reason for non-transfer? Lastly, my special thanks to our beloved company secretary, Mr. Ajay Agarwal and his team consisting of Arunabh Bhattacharya, Lakshmi Shetty and others for maintaining cordial relations with shareholders. And also helping me to join today's virtual meeting and also to take part in the deliberations. Thank you all for patient hearing.

Moderator - Thankyou Mr. Majumder. Now I would like to call upon Mr. Santosh Kumar Saraf who has reconnected. Mr. Santosh Kumar Saraf kindly switch on the video unmute your mic and speak.

Mr. Santosh Kumar Saraf: Chairman Sir, members of Board of Directors, my shareholder brothers and sisters. I am Santosh Kumar Saraf from Kolkata. Greetings to all of you. I congratulate the Board for maintaining the dividend in spite of such a tough year. Our profit has decreased if we ignore the proceeds from the sale of GRUH Finance, and it is creditable that even then dividend has been maintained. Secondly, is there any plan of launching an IPO for our General Insurance company? If so, by when will it be done? I would like to congratulate you as out of our 18 subsidiaries, 11 has given good profits and only 7 have incurred minor losses which can be made up in future. Would like thank the CSR committee for doing a good job by serving all around. How much, if any amount has been given to Prime Minister Care Fund? An objection- wherever Director's name is given, it is required to give DIN number. This has not been done in several pages. This may be against Company Law rules. I have also not got Business Responsibility Report in the entire annual report. From next year, would request to provide us alongwith the annual report. In Business Responsibility Report, it has been given that you don't make any kind of discrimination.

Moderator - Sir requesting you to kindly wrap up.

Mr. Santosh Kumar Saraf - In my opinion, this should be more detailed such as providing wheel chair to those that require them, or other appropriate support. How much is the estimated cost for this virtual meeting? How much is the cost for physical meeting? So that shareholders know the costs, from where the Director is attending, etc. so that we know how much costs have been saved and whether we can receive that as dividend. Thank you. Jai Hind. Jai Bharat.

Moderator – Thank you Mr. Saraf. Thank you all the speakers.

We now request Chairman Sir to proceed with the AGM.

Mr. Deepak Parekh, Chairman

Let me try and answer some of the questions. Some I could not hear also but let me try my best to see what I can do. First of all, why am I not wearing a suit? You all are sitting at home and asking me to sit with a suit. I have worn a tie for you all. I think I would also like to, on behalf of the management also, number of shareholders have complimented Ajay Agarwal and his team for being in touch with all the shareholders, facilitating them to join the virtual AGM call. So, I would also like to thank the secretarial team, particularly Ajay Agarwal, on behalf of the Board of Directors for doing an outstanding job during the year.

ESOPs are always given at market price. Whenever ESOPs are given, they are always given at the market price. There is no charge on the P&L account. I think all the Directors are present and few shareholders asked about bonus, tijori full hai. I think at the right time I am sure , the Board will consider. This is certainly not the right time when there is so much uncertainty around all of us. Many people asked for moratorium. In the first moratorium 22.6% of individual loans were under moratorium and the total moratorium one was 27% of the total loan. In moratorium two, 16.6% of individual loans were under moratorium and 22.4% total loans were under moratorium two. We have no plan to do an IPO of ERGO at this stage. We still have to consolidate the health business which we bought, the Apollo Munich Health. We have merged the business, but

formalities are still left, it is pending with NCLT. But for all practical purposes- today, it is run as a separate company but only after the NCLT actually orders the merger will fructify. People Bank of China has now 0.9% shares of our company.

One other question asked about was effect of Covid. Again many people asked about effect of Covid. There is total uncertainty about the duration of the lockdown and the time required for business, time required for life to come back to normal. Again, I don't think it will be possible till we find some medicine or vaccine is found. So, the extent to which the Covid pandemic will impact the corporation business and financial results at this juncture depends really on future developments. When will un-lockdown happens, and therefore during the quarter, the non-individual loans we gave will be restricted predominantly to AAA companies. Retail disbursement in the month of June stood at 68% of the level of previous year. So, what we noticed is that April was a total lockdown, but from May and June and July particularly, we are getting back to almost 80-85% of the corresponding year. So, in the month of June, retail disbursement was 68% of the previous year, and similarly, encouraging trends are seen in the month of July as well.

Effect of RBI regulatory reforms on HDFC. No significant impact as of date. HDFC- we had invested ₹ 100 crore equity shares of Yes Bank. Let me also talk about Yes Bank. Yes Bank was a large private sector bank and the decision not to let it sink, the decision to revive it was jointly taken by all the public and private sector banks together, obviously in consultation with the Reserve Bank of India. The State Bank of India took the lead, and, as you see, number of private sector banks have invested because, if a large bank falters in repayment of deposits or has some liquidity problems, it impacts the entire financial sector. The entire financial sector will get tainted and get a bad name, the confidence and trust will be reduced. So, it was a joint effort to invest money and buy the private sector bank together with State Bank and LIC. We did not participate in the follow-on issue and we have invested at 10 rupees a share a total of 1000 crores. We do not have any rights and there is a lock-in of 75% of the 1000 crores for 3 years. We are trying to raise equity and NCD with warrants in order to augment our long-term resources. It is always better to raise equity from a position of strength and it is always better to raise finances when there is ample liquidity particularly in overseas markets. We do not know the outcome of Covid, how long will it last and we see some inorganic opportunities also in some of our subsidiaries for which we may need to put some money. So, it is for these reasons that the Board has decided to raise some equity. One crore and fifty five lakhs fifty two thousand one hundred and five shares of the company HDFC are held by the People Republic of China which is 0.90 %.

Then, let me say, moratorium I have talked about, impact I have talked about. We see growth coming in Tier II and Tier III cities. Dividend policy- again, many shareholders were very happy that we maintained the dividend of 21 rupees. Let me say something. Some shareholders have asked about dividend policy. Although the dividend policy we have submitted to SEBI has been dividend payout ratio between 40-50%, last year it was 44%, but this year the dividend payout was 20.5%. But you know we had to conserve our resources. The Board thought that it was very prudent to maintain the dividend. We did not have any direction of not declaring a dividend. We thought it was a good idea just to maintain the dividend. Impact of pandemic I have mentioned. HDFC Life and ERGO basically it's a Companies Act, RBI directed us to reduce our

shareholding in HDFC ERGO and HDFC Life to 50% or below from our existing shareholding. Now, accordance with listing regulations, listed entities are required to obtain shareholders approval by way of special resolutions for disposing shares in its material subsidiary resulting in reduction of shareholding to less than 50%. So, that is the reason we have gone to the shareholders for their approval. Another point was on whistleblower. During the year, we had 34 complaints of whistleblower. Two of them were relating to group companies. So, as of 31st of March, there were 5 complaints pending, and, at present, investigations are going on. None of the complaints which were investigated pertained to any malpractices or fraud and all of it is mentioned in page 72 of the Annual Report.

What measures is HDFC taking to protect its staff? We have prepared a detailed protocol and workplace Standard Operating Procedures for all employees across the country for opening of our offices and Back to work, Back to office handbooks giving detailed guidelines on how to protect your health, how to stay safe and how to do distancing in the office as well as outside. In Maharashtra, for instance, only 10% of staff are coming on a daily basis and we ensure that employees with co-morbidities, expecting mothers, women employees with children below 5 years and employees who are staying in containment zones should continue to avail of work at home facility. We are also in regular touch with our in-house medical practitioner who keeps us informed about all these developments and safety measures. We had to change the secretarial auditors, Messrs Vinod Kothari and co. Practicing secretarial auditors because they completed 5 years as auditors. The sentiments of overseas investors- for overseas investors, India is a little negative at the moment but it is better than what it was in March and April and particularly we see that well-run companies, large market caps, there is a lot of interest. There was one real estate investment trust (REIT), run by Blackstone and the Raheja group a few days ago. It was heavily oversubscribed by international investors, thirteen and a half times oversubscribed. So, for good quality paper, for well balanced companies, there is still interest. As you know, the interest rate internationally is negative or near zero percent. So, there is a fair amount of liquidity internationally. Our foreign shareholding is around 70%. I mentioned as to why we declared a dividend while banks and insurance did not.

Increase our stake in the bank. RBI will not allow us to increase our stake in the bank either directly or indirectly. We will however maintain our existing stake in HDFC bank. How many real estate projects have been stuck? Many real estate projects are stuck because of the lockdown. As you know, there was a massive migration of labor from factories, from contract workers, from hawkers, from construction workers, who went back to their own villages and homes. So there was no labour and all the construction activities came to a standstill for a few months. We see labor coming back gradually and some construction sites have started. Average cost of borrowing- all inclusive cost of funds this year was 7.91% as compared to 7.99%. We do offer additional interest of 0.25% to senior citizens. Shareholders also get an additional rate depending on the scheme. Shareholders who are citizens can avail of both the benefits. Current rates for deposits up to 2 crores special deposit 33months is 6.35 per annum and 0.25 additional for senior citizens. Mr. Sharad Kumar Shah, we could not hear you properly. So, if your questions are not answered you should really write to Ajay Agarwal and let us know because you were breaking off in between.

10 year growth is good. HDFC Life Insurance how much you will get? Current shareholding is already down to 50.1% in HDFC Life and 50.47% in ERGO. So, reduction to 50% will not be a material income for us. It will be about 100 crores in Life and about less than 100 in non-life. Steps taken for giving loan moratorium. We have communicated to all our customers through various modes such as web site, emails and SMS's. Why did we go to shareholders, I said - it is because we are selling some shares.

Let me say the total number of Covid cases. HDFC Ltd., so far, out of 3000 odd employees we have, 34 people have got Covid, 16 are still active, 17 have recovered and one senior person passed away in Baroda office just 10 days ago. But, he died of a heart attack. HDFC Sales- 37 got Covid, 11 are active, 25 recovered, and 1 passed away. 95% of employees were working from home in the month of April- now the number is coming down in major cities, lockdown has been lifted, so we see more or less full attendance. In certain States which are pretty bad like Maharashtra, Tamil Nadu and Delhi, we see a little lesser attendance. Loan disbursements in lockdown. We received 95,686 numbers of cases applied for 27,637 crores receipts. These were receipts. Approval 57,196 individual approvals have been given for 14,718 crores and the average loan this quarter was ₹ 24.6 lakhs. Regarding Bandhan and GRUH, we have received by 31st March ₹ 3,523crores and we had a fair value in our balance sheet of ₹ 9,919.81 crore.

ERGO, I mentioned, the merger is under process waiting NCLT order. 90% were working from home. Net Interest Margin -3.1% for June 2020. It is lower on account of liquidity which we keep. As I mentioned in my opening remark, we had kept a huge amount of liquidity because of the uncertainty. NHB last year imposed a penalty on us for non-submission of certain progress reports of overseas offices. We have very small overseas offices in Singapore, Dubai and London with two people each. So, we had not given them the submission of progress reports of these offices and also certain clarifications of loan relating to definition of substandard assets. Penalty amount has been paid.

I think quite a few shareholders were happy with the results, the dividend, employee death I have said, someone said they were happy with the CSR work. One shareholder asked about it is a good time because NBFCs and HFCs are quoting at rock bottom prices and it is a good time for acquisition for us. We are always open for acquisitions and we always have our eyes and ears open. Residential demand may fall but there are large number of unsold stock and there is a huge amount of pent-up demand. My personal view is, the outcome of this Covid, when it opens up and lockdown is removed, there will be a rush for small apartments. I know many people who complain that 8-10 of us are sitting in two rooms and we could have got another flat and so there will be more sales. I am very hopeful that home prices which are reasonable- the sales will increase as we see. Mr. Majumder, we couldn't hear you also properly. I mentioned why we participated in the Yes Bank revival and we had to play a positive role. We don't have any rights, 75% is locked in. What prompted us to sell GRUH? I had elaborately talked about it last year that they were competing with us- from being a semi urban company, it was going out to urban centers and many times we saw them competing with us and we do not have any right to appoint Director at Bandhan Bank because we have less than 10% holding. On the accounts, some questions you want- Keki will take one or two answers on accounts.

Mr. Keki Mistry: There was a question asked about profit for last year, that if we remove the profits from sale of investments, the profit figure comes down significantly. The reason the profit figure comes down significantly is because we took the opportunity to make very large amounts of provisions. We have been extremely conservative and proactive in our provisioning. As of 31st of March, for example, we have been carrying a total provision of 10,989 crore of rupees as against a regulatory requirement of just ₹ 4,198 crore. So, we were carrying a provision which is almost 6,800 crore more than what is required. So, we did a very large amount of provisioning and that was the reason why you will see the growth in profits. Regarding the question which Mr. Balasubramaniam asked which was on the Net Interest Margin which Deepak answered, that for the first quarter of the year, the Net Interest Margin was 3.1% compared to 3.3% last year and the reason that the Net Interest Margin was lower was because we kept a huge amount of liquidity in the balance sheet. We had an average liquidity level of nearly ₹ 32,000 crore which gives us a negative carry. If we adjust for the negative carry, the Net Interest Margin would be the same as it was in the previous year which is 3.3%. I think one more question he had which was of non-performing loans. Our non-performing loans number in March was 1.99%, in June it is 1.87%.

Deepak Parekh: Thank you Keki. As mentioned earlier, those who want to vote now may do so through the NSDL e-voting portal. The e-voting facility would be available for the next half an hour so as to enable us to declare the results of the AGM today to the stock exchanges and commence payment of dividend from tomorrow. With your permission, I call this meeting to an end. Stay safe and stay healthy. Thank you.
