



**45<sup>th</sup> Annual General Meeting of Housing Development Finance Corporation Limited**  
**30<sup>th</sup> June, 2022, Thursday, 14:00 (IST) to 17:07 (IST)**

**Moderator:** Dear Shareholders, good afternoon and a very warm welcome to the 45<sup>th</sup> Annual General Meeting of Housing Development Finance Corporation Limited through video conferencing. As a reminder, for the smooth conduct of the Meeting, the Members will be in the mute mode, and audio and video will be opened when they speak at the AGM as per the pre-registration. Please note that, as per the requirements, the proceedings of the Annual General Meeting will be recorded and the recording will be available on the website of the Company. I now hand over the proceedings to Mr. Deepak S. Parekh, Chairman of Housing Development Finance Corporation Limited.

**Chairman' speech - Mr. Deepak S. Parekh**

On behalf of the Board of Directors, I welcome you to the 45<sup>th</sup> Annual General Meeting of your Corporation conducted through a two-way video conference facility. Whilst we have learnt to adapt and co-exist with the virus, what still remains unknown is the intensity and variants of recurring waves of infections. Clearly, we need to continue to remain guarded and hence we have opted to conduct this meeting online. It is 2 p.m. and I have been informed that the requisite quorum is present. I accordingly call this meeting to order.

We have a full quorum of the Board at this AGM. During the last financial year, we inducted two Directors on our Board. Mr. Rajesh Gupta is a leading advocate with expertise particularly in the fields of banking and finance and real estate. He has been appointed as an Independent Director for a term of five years.

Mr. P.R. Ramesh was the Chairman of Deloitte India and has over 40 years of experience. Owing to the association of a few of our group companies with Deloitte, Ramesh will not satisfy the independence criteria till March 31, 2023 and accordingly, he has been appointed as a Non-Executive Non-Independent Director of the Corporation, liable to retire by rotation.

During the year, as per RBI guidelines, the Corporation appointed Messrs S.R. Batliboi & Co. LLP and Messrs G.M. Kapadia & Co. as joint statutory auditors for a period of 3 consecutive years. The representatives of the joint statutory auditors, members of the senior management and the Company Secretary of the Corporation are also participating in the meeting. Since there is no physical presence of shareholders, the requirement of appointing proxies is not available to the Members of the Corporation. The registers and other documents as required under applicable laws are available for online inspection during the AGM.

I will now proceed with the agenda for the Meeting. In accordance with the circulars issued by MCA and SEBI, the Annual Report and the Notice convening this AGM were sent through email to Members whose email addresses were registered. The Notice and Annual Report are also available on our website. The Corporation had taken adequate steps and efforts to enable Members to participate and vote on items being considered in the meeting. There are no qualifications, observations, or comments on financial transactions or matters which have any adverse effect on the functioning of the Corporation in the joint statutory auditors' report and secretarial auditors' report. Accordingly, the same are not required to be read.

You would also have read the Annual Report and have assessed both, the standalone performance of your Corporation as well as the consolidated performance during the last

financial year. I trust you have also read the Notice and are aware of the resolutions proposed to be passed at this Meeting.

On April 4, 2022, the Boards of HDFC and HDFC Bank approved a scheme of amalgamation subject to requisite approvals. The Boards of HDFC Investments Limited and HDFC Holdings Limited have also approved the merger of their respective companies with and into the Corporation. We have already articulated the reasons for the proposed merger in the Annual Report and through other public disclosures.

We have made applications to various authorities such as the Reserve Bank of India, SEBI, IRDAI, Stock Exchanges and the Competition Commission of India, which are presently under consideration by the respective authorities. There is a sequence of approvals required prior to the National Company Law Tribunal convening a meeting of shareholders for approving the merger. Till the effective date of the merger, the Corporation will continue to carry on business in the normal course as an NBFC-HFC.

As I mentioned, there will be a separate meeting convened for shareholders to address issues on the merger. To ensure that we adhere to the requisite process as laid down in the law, I need to categorically state that this AGM is convened solely for the adoption of the financial results of the Corporation and other resolutions pertaining to the Corporation as specified in the Notice.

I therefore request all Shareholders to kindly grant us your patience and restrict discussions at this AGM only to issues pertaining to the performance of your Corporation, while issues on the merger will be taken up separately in another shareholder meeting.

Let me now turn to the highlights of the financial year 2022.

Despite the challenges posed by recurring waves of COVID 19 infections, lending operations of the Corporation continued seamlessly, much of this was attributed to the ability to stay connected with customers by leveraging on the Corporation's digital platform. The demand for housing continued to be strong for both, the affordable housing and high-end segments.

During the year, individual approvals and disbursements grew by 38% and 37% respectively. The average size of the individual loans stood at ₹ 33 lakhs during the year, compared to ₹ 29.5 lakhs in the previous year.

The assets under management as at March 31, 2022 stood at ₹ 6,53,902 crore as against ₹ 5,69,894 crore in the previous year.

During the year, RBI revised the norms for reporting NPAs. Based on the revised RBI norms, the gross non-performing loans, as at March 31, 2022 stood at ₹ 10,741 crore. This is equivalent to 1.91% of the loan portfolio. During the financial year, there was a significant improvement in overall asset quality and reduction in credit costs as well.

Based on the earlier norms, the gross non-performing loans would have been equivalent to 1.74% of the loan portfolio as against 1.98% in the previous year, reflecting improvement in asset quality.

The provisions carried as at March 31, 2022, stood at ₹ 13,506 crore, which is equivalent to 2.38% of the exposure at default.

The standalone profit after tax for the year ended March 31, 2022 was ₹ 13,742.18 crore.

Given the changes in the global macroeconomic environment, increased geopolitical tension, supply chain disruptions, rise in commodity prices, withdrawal of accommodative monetary policies across the major central banks globally and concerns of intensified inflationary pressure, I think it is important to understand where India stands against these global headwinds.

Global growth is now expected to slow down sharply to 3%. Developed countries such as US, UK and the EU have inflation at 40-year highs and are facing a cost-of-living crisis, largely driven by sharp increases in energy and food prices and other war induced disruptions.

While growth expectations in India too have been tempered, India is still expected to be amongst the fastest growing major economies with GDP growth estimated at above 7% for the current year.

India's growth is largely powered by domestic consumption. The Government is committed to increased capital expenditure. Agriculture growth has remained strong. Food grain production at 316 million tonnes is at a record high and unlike many countries today, India has ample buffers and thus no concerns on food security. Capacity utilization levels are now at 74.5% which is near the point where fresh investments start.

India's public digitization infrastructure initiatives and IT skills have been recognized globally. The Country is also expected to play a leading role in energy transition and large investments are being made in renewables, green hydrogen and other components of clean energy. All these factors augur well for India's growth potential. The mood is somewhat sombre, largely because of the volatility seen in the stock market. In India, Foreign portfolio investors have been risk averse and selling aggressively, largely to cover losses made in other emerging markets. Fortunately, in India, Domestic Institutional Investors and increased retail participation has helped support the equity markets. It is also important to recognise that unusual measures were taken for unusual times during the pandemic and these measures are now being withdrawn in a calibrated manner. In India, while inflationary expectations are likely to remain above RBI comfort zone of 6% over the next 3 quarters, India's increase in inflation rates is not because of excess demand.

The root of India's current inflation is the supply side largely driven by higher oil and commodity prices, which in turn is amplified due to geopolitical tension. Once supply chain disruptions ease, India's inflation rate is also likely to temper downwards. Due credit must be given to the government and the RBI, who are working in tandem to rein in inflation and ease the burden on the common man. Now as far as home loans are concerned, we've had an exceptionally good run with strong demand for housing, coupled with interest rates at an all-time low. As you would recall, in the month of March 2022, HDFC had recorded its highest number of loan receipts at over 86,000. I continue to maintain that despite changes in the macro environment, the growth potential for housing in India remains immense. Property prices are seeing measured increases, to the extent of the rise in input costs. Yet, developers are unlikely to opt for sharp increases because they recognize that out pricing home buyers and having large stocks of unsold inventory is counterproductive for them.

There has been consolidation and cleansing so to speak in the Indian real estate space. The weaker players have been weeded out of the market. Recently, new launches have been stronger, reputed developers and this has meant that homebuyers too have the confidence to once again opt for under construction properties rather than playing safe and preferring only completed projects. Six years of the RERA provisions has also empowered homebuyers. To my mind real estate in India will continue to be on an up cycle.

Now, let me address the issue of interest rates. During the peak of the pandemic, the RBI reduced the repo rate by 115 basis points in quick succession. Besides other liquidity measures to support the economy. This position is now being unwound. It was unrealistic to believe that such low interest rates and high levels of surplus liquidity would sustain. The reality is that markets began to pencil in expectations of policy rate increases from October 2021 itself, when the variable reverse repo began aligning with the repo rates. The RBI has front loaded its policy rate hikes. RBI has rightly articulated a withdrawal of its accommodative stance to ensure inflation reverts to the RBI's target range, whilst also supporting growth in the economy. The demand for housing is unlikely to be impacted by interest rate increases. In fact, current interest rates on home loans are still below pre-pandemic levels. Further, a home loan is for a long tenure and during this period, there are bound to be both, upward and downward interest rate cycles. During the quarter ended June 30, 2022, retail business of the Corporation has continued to perform well.

Since there has been a lot of commentary on the impact of rising interest rates on NBFCs, let me put this issue in the context of the current environment. This is important because the manner in which interest rates have moved has resulted in some transmission lag and this may have a short-term impact on margins, largely in comparison to the corresponding quarter of the previous year.

When the Reserve Bank increases interest rates, the Corporation's cost of borrowing goes up immediately, but there is a few months' lag before the Corporation can increase the interest rate. Hence, there's this transmission lag and accordingly there will be some impact on the margins for a quarter or so. We expect stable spreads in margin going forward.

Reverting to issues pertaining to the AGM, based on the performance of the Company, the Board of Directors has recommended a dividend of ₹ 30 per equity share of face value of ₹ 2 each for the financial year 2022. This compares to a dividend of ₹ 23 per share in the previous year. The payment of dividend will commence from Friday, July 1, 2022 onwards, subject to passing of the resolution today. The Corporation has provided the remote e-voting facility to all its members to cast their votes on the resolutions proposed at this AGM. Since the resolutions have been explained in the AGM Notice, I am not reading the same again at this Meeting.

To facilitate the Members who could not cast their votes 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 question-and-answer session. There will be no voting on the resolution by show of hands.

I would now like to invite questions, if any, from the shareholders who have registered themselves to speak at this meeting. As we have over 30 speakers, I would request all speakers to please restrict their speech to a maximum of 3 minutes only. I request you to please be brief

and restrict your questions to the matters as set out in the notice, the annual accounts and the operations of the Corporation for the year gone by. We will answer your queries after all the shareholders have asked the questions. I shall now request the moderator to read out the names of the speaker shareholders in the order of their registrations. I would just like to submit that I am not in office today and hence request our Vice Chairman and CEO, Mr. Keki M. Mistry to answer the questions. Thank you.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. I now invite our first speaker shareholder, Ms. Asha Lata Maheshwari and request her to unmute the audio and video and ask her questions. In the interest of time, may I request you to please restrict your questions or comments to 3 minutes.

**Asha Maheshwari:** Mr. Chairman and all the other director, my name is Asha Lata Maheshwari. I have read the balance sheet; performance is very good as usual and I congratulate you as well. This proposed merger with HDFC Bank which you have taken, is in everybody's benefit. I fully support on this. We support this merger and we are happy with your work but our heart hurts. Mr. Chairman I have not seen the nobility you possess, and I have not seen a gentleman like you, and I have not seen a simple and good-natured man anywhere else in my life. Mr. Chairman the profit of the Company is excellent and you have given a higher dividend. Many congratulations. I would also like to praise Ms. Renu Karnad who respects HDFC a lot and she is a very old employee. She has worked a lot so I will thank her too. Mr. Chairman in the end one thing I would say, that before merger give us one more dividend or else give us a bonus issue of shares. Mr. Chairman tell me one thing - how many schools are run by our Company and where are they situated and after merger will they also go. My best wishes will always be with you. I fully support the merger and fully support all the other resolutions. I convey my thanks to you.

**Deepak Parekh:** Thank you, Asha Lata ji.

**Moderator:** Thank you. Our next speaker, speaker no. 2 has not connected hence we are checking the connection and trying to get the participant online. Speaker no. 3 Mr. Shailesh Mahadevia has informed us that he would not be attending the AGM due to other commitments. We will therefore move to our next speaker that is Mr. Kaushik Sahukar. May I request you to please unmute your video and audio and proceed?

**Kaushik Sahukar:** Good afternoon, everyone. First of all, I would like to thank the Board of Directors for giving me an opportunity again to speak in this forum. Many of you will remember me from the conversation in the past years. So, I'll keep the introduction brief. Myself, Kaushik Sahukar from Mumbai, a qualified and practicing Chartered Accountant. I have been suffering from dystonia which has rendered 65% of my body paralyzed and this has impacted my right hand, my right leg and speech. While I have not let that come in my way of becoming a Chartered Accountant and practicing, I do request your support in helping me to be self-reliant.

I was optimistic after our conversation we had last year about me working for our organization on certification work including Form 15CA CB. However, nothing has progressed since. While I understand things may have not progressed due to the pandemic situation last year, I do hope that after our conversation today, our organization would start engaging me in this area as soon as possible. Once again, thank you for the opportunity to speak today and I hope to see a positive movement forward. I support all the resolutions. Also, request you to please respond to my question i.e. will Metaverse unfold in and transform our enterprises? and sir, one more thing. After recent turmoil in politics in our state of Maharashtra, will it impact our business favorably or unfavorably? Thank you so much.

**Deepak Parekh:** Thank you, Thank you, Mr. Sahukar.

**Moderator:** Thank you. We will take our next question from Mr. Gautam Tiwari. Mr. Tiwari, could you please proceed with your question.

**Gautam Tiwari:** Respected Deepak Parekh sir, first of all, sir, how are you sir? Good afternoon to you.

**Deepak Parekh:** Thank you.

**Gautam Tiwari:** A very, very good afternoon to Deepak Parekh sir, all eminent and dignified Directors and team HDFC Limited. My name is Gautam Tiwari. I am participating from Mumbai. Sir, as you have said that we will be taking special meeting about merger, so we will not discuss anything about merger. I am grateful to team HDFC for having allowed me to speak at the AGM of HDFC parent Company. Team HDFC was very much helpful to me and I support strongly all resolutions and so also especially the resolution no. 6 where Mr. Deepak Parekh is proposed to be re-appointed as the Director of the Corporation. Dear sir, hearty congratulations to you, sir, and team HDFC Limited for one more year of grand success and for winning various awards and accolades. Received annual report, sir, in due time. It was transparent and was very well designed, colorful, clean, and clear. My sincere thanks to the relevant department for this. Sir, I congratulate you very much for paying the dividend of ₹ 30. Dear sir, HDFC profit is good. Sanctions and developments are also good. All companies in HDFC are working to the benchmark. I have no complaints. Sir, I have got very few things which I would like to know, sir, from my end. I will be highly obliged if you can please answer these. Sir, how many warrants are outstanding now and what is the last date of exercise? Sir, at what rates the warrants can be exchanged with equity shares? and why no masala bonds issued this year, sir? and how was the overseas market? Sir will HDFC Credila and HDFC Ergo be listed soon. Sir, why in-house share transfer agent activities were outsourced? Rest of all, I don't have to ask anything more. I wish you a very safe, happy, healthy, wealthy, and long life with best of luck and bright future and first of all, the best of health to you always and all the time to all the Board and all those who are connected with us

forever and ever. Sir, you have made everybody rich. With your magnetic hand, magnetic touch, we all have come from thousands to lakhs and from lakhs to crores for which I'm very much thankful to you and grateful to you sir forever and ever. Thank you very much, sir, for patiently listening. Thank you very much, sir.

**Deepak Parekh:** Thank you, Tiwari ji. Thank you.

**Moderator:** Thank you. We will take our next question that is from Ms. Lekha Satish Shah. Ma'am, could you please unmute your microphone from your device and go ahead with your question?

**Lekha Shah:** Thank you, sir. Respected Chairman and board of directors, good afternoon to all of you. Myself, Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary and team, especially Shetty ma'am for rendering very good investor services and also for sending me the AGM notice well in time in such a difficult situation. It is full of knowledge, facts and figures in place. Congratulations for excellent results, sir. Sir, I pray to God that he always shower his blessings upon you. Sir, I would like to ask few questions. My first question is, what is the expenditure incurred on training program for our employees? We have 4 overseas branches. In which countries are they located? Regarding the merger of HDFC Bank, will HDFC benefit? Please clarify. Sir, I would like to say I strongly support all the resolutions for today's meeting, and my best wishes, always to our Company and its prosperity. Thank you, sir.

**Deepak Parekh:** Thank you, Lekha ji. Thank you.

**Moderator:** Our next question is an audio question from Mr. Ronald Fernandez. Mr. Fernandez's audio is disconnected. We will try to get him connected. In the meantime, we will move to our next participant, that is Speaker no. 8 and no. 9. They are jointly connecting, Ms. Celestine Mascarenhas and Mr. Aloysius Peter Mascarenhas. Please proceed with your questions.

**Celestine Mascarenhas:** Respected sir, Mr. Deepak S. Parekh, Vice Chairman, K.M. Mistry, other members of the Board, my fellow shareholders attending this virtual meet, I am speaking from Mumbai. My name is Mrs. C. E. Mascarenhas. First of all, I thank our Company Secretary, Mr. Ajay Agarwal, and his dedicated team for sending me an e-annual report and also registering me as a speaker at my request and giving me all the help and reminding me and also the chorus team. The working is very good, even the balance sheet is very beautiful. So, many facts and figures and photos, sir, very nice, keep it up. Dividend of ₹ 30 is very, very great. I only feel now next year onwards, we will not get that ₹ 30 or ₹ 35, that is little pinching me, but I will get reward from HDFC Bank. Now congratulation for all the awards and accolades as documented in the annual report. I also appreciate the CSR work to the community from page 36 to page 53. Our capital adequacy is also very good. Sir, what will happen to our holding in HDFC Life, HDFC AMC, and HDFC Ergo

and many, many other subsidiaries we have. Now no. 3 is, when will all these procedures be completed? I have full faith in you, Mr. Deepak Parekh. You have always rewarded the minority shareholders with good dividends, with good subsidiaries, listings, and unlocking the value like in HDFC Life and AMC I have said and above all good market capitalization, which now after the merger I know with full faith and full conviction that HDFC Bank will unlock great value just like ICICI Bank has unlocked great value after ICICI Limited was merged by K.V. Kamath and now ICICI Bank is a leading bank and I am sure HDFC Bank will take the no. 1 position. My only request to you, sir, is you should be at least Chairman Emeritus of the HDFC Bank to shower your blessings just as sir, Mr. Ratan Tata is on many TATA companies. Sir, we need your blessings on HDFC Bank. So, that we will see a very, very great bank in the private sector. Now, no. 4, we have 3,599 employees. Will they all be taken in HDFC Bank with same terms and conditions? Rest, I support all the resolutions. I will cut my speech. If it was a physical meeting, I would have come and discussed many things. But now since its virtual, time is the constraint and now Mr. Mascarenhas will speak. I wish you very, very good health so that you will always take care of the small shareholders. Thank you very much.

**Deepak Parekh:** Thank you, Ms. Mascarenhas.

**Aloysius Mascarenhas:** 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, our Company secretary, and the registrar for sending me the balance sheet which I received on time. It is full of information and adhering to all the parameters required for a good corporate governance. Our results are very good as shown in facts and figures in the balance sheet. Our PBT and PAT has gone up, and you have declared a handsome dividend of ₹ 30 on the face value of ₹ 2, most welcome, sir. Sir, my few questions are that the effect of merger with HDFC Bank will affect the agents like me who mobilize fixed deposits to HDFC Limited. So, by merging with the bank, will the practice of commission go with the bank? Will they entertain us? See, it will support our income as well as the employment. There are many agents who are depending on you, sir, on the Company. So, we will be jobless and we will not have additional income. Keep this point with you and be sympathetic to us. Many questions have been asked by my predecessor shareholders I would like to know what is the FII inflow with our Company. So, I would like to stop here, because many questions have been asked by my predecessor shareholders So, I will not come in the way of the other shareholders who would like to speak. So, I end my speech 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 patient hearing. Thank you, sir.

**Deepak Parekh:** Thank you. Thank you very much, Mr. Mascarenhas.



**Moderator:** We will take our next question from Mr. Ronald Fernandez. He's connected via audio call. Mr. Fernandez, please go ahead with your question.

**Ronald Fernandez:** Very good afternoon, Chairman Sir, Managing Director, Directors, and my fellow shareholders. My name is Ronald Fernandez. At the outset first and foremost, I wish to thank the Company secretary, Ajay ji and Lakshmi and her teammate for sending the annual report as well as the chorus team for getting me connected. Of course, no doubt yesterday was HDFC Life's AGM, but I couldn't get connected on the line, because I could see everybody on this thing, but I couldn't get myself connected. And of course, starting on the speech of yours, Mr. Deepak Parekh, you had given an excellent speech yesterday, and the ending part I could get you connected, but it was very difficult. Then secondly, I would like to highlight to you sir, first and foremost, 30<sup>th</sup> June 2022, so you have selected the date of the meeting, it's a very good time and you declared a dividend of ₹ 30, because the date was 30<sup>th</sup>, had it to be multiplied by 6x, it will become ₹ 180 dividend. I'm waiting for that sir. When will you give a dividend of that much amount as dividend because your assets and this thing is too much, sir. It is better that you distribute the wealth among the shareholders so that we will be happy and confident. Certainly, your item no. 6, special business, you're reappointed. Again, reappointment term and you are offering yourself as a Non-Executive Director for a period of another I think 3 to 5 years or so. But that's very, very good on your part, sir. You are eligible for doing that because you have done an excellent job and secondly, if you look at your DIN number 9,0,7,8, I will speak on no. 7, but you got connected to 8 and 9, so it is matching, sir and then if you look at it, we have the logic in it, that is 7 and 8 is 15 and 9. So, either you can bifurcate the balance sheet by having a 9 months report or 6 months report. So, what happens, the load of the book will not be too much, sir, because you are printing every damn thing on it and it becomes 456 pages, 456 pages of what's falling in new sir, nothing plus 20 pages of the pull out of the AGM notice, that it's coming to 476. So, carrying such a big book, it becomes very difficult, sir and when you have the 476 I think about my logic number sir, 4 + 7, 11; 11 + 6, 17. When you're looking at it, you'll look at the line; of course, you're the line of the Company of HDFC, which you have given a tremendous importance to it, sir. Secondly, also I would like to highlight to you that 456 pages, what is that to you. It clearly shows again that you should have a balance sheet comprising of 6 months and 9 months, 4 + 5 = 9, so 9 months and 6 months. I think in the near future it would be little bit agreeable, of course, no doubt we are not seeing each other, but at least during this epidemic period, we'll come up with this equation. Secondly, sir, what is the Capex going to be for the next 3 years? I would like to highlight to you because till we have 48 AGMs and what are you going to have the Capex for the shareholders, delegates and/or the staff employees right from the phase of the driver to the peon for another 2 years we would celebrate Golden Jubilee, sir, because that is a very important thing. Five decades down the line, 50, so it's a big question. I'm not asking for a gold coin or silver

coin whatever it is or platinum or a centennial coin, but at least some token of appreciation wherein it will be remembrance, wow, wow, what Deepak Parekh did? He served the customers and of course, no doubt you're on very first covering page, sir. When it is saying actionable intelligence, it is a very good logic. Intelligence is something that you got logically. When I say the word actionable, able means not able to do action. So, when you reverse the alphabets of ACTION, it become NOIT, and CA comes into picture, the last part of it. So, there is no IT, IT is nothing except information technology IT and IT technology on the aspect of the knowledge. I would also highlight to you, sir, that you have done a very excellent job in the CSR activity, but of course, no doubt we will see it in future but how are we going to handle the CSR, I mean in other terms common social responsibility for the shareholders think about it. You have given a very good dividend ₹ 30 but then you come forward with I mean this thing of bonus or so and so I would like to highlight to you now, I have got the news that Lakshmi Shetty is resigning from there. So, I would like to contradict you, sir, you don't allow her to resign, give her an opportunity to become as an independent director at least to take on the Board. With this I support all the resolution and thank the management for patient listening. Thank you.

**Deepak Parekh:** Thank you, Ronald. Thank you.

**Moderator:** We will take our next speaker shareholder no. 10, Ms. H.S. Patel. Please go ahead with your question.

**H.S. Patel:** Thank you. Respected Chairman, Mr. Deepak Parekh sir, Mr. Keki Mistry, the Vice Chairman and CEO, Madam Renu Karnad, MD, Mr. Sinha, the ex-SEBI Chairman, and other eminent Directors on the Board. I congratulate the Company for the excellent results that the Company has come out with. Sir, the Company is doing so well under your leadership and the Board's guidance that I'm sure we will be in tears when the merger will come. We don't want to miss you, Mr. Keki Mistry or Ms. Renu Karnad. Please let me know about the merger, what will be the ratio offered to the shareholders for the merger between HDFC Bank and the Corporation? Will there be a separate meeting for the shareholders and NCLT? Sir, before the merger please, we will ever remember you, all the Directors of the Board, please give us a bonus, please it's really high time that before this merger, before we lose HDFC, we would like to have a bonus from your side. This is a Company with which I started my first being a shareholder. Anyway, whatever will happen will always be for the good. I wish the Company and all the employees all the very best and support all the resolution, especially resolution no. 3, no. 6 and no. 7. I very much appreciate Mr. Ajay Agarwal and his whole team, for being very, very helpful always. Also, all this year Ajay Agarwal has been very helpful. I feel very bad because I think it is a very good Company and I really love this Company.

**Moderator:** Ms. Patel, sorry to interrupt you, could you just hold the mic? Thank you.

**H.S. Patel:** Okay. I wanted to know the ratio at which the merger is going to happen.

**Moderator:** Ms. Patel, sorry to interrupt, could you hold the microphone little closer to you and speak. We cannot hear you that clearly.

**H.S. Patel:** I wanted to know about the merger, what would be the ratio and will there be a separate meeting of the shareholders and the Company which can be done by NCLT and sir, before this merger, would you provide us with a bonus so that we will ever remember you. Will you and Mr. Keki Mistry be on the Board after the merger? Will RBI take and hear what we shareholders also want after the merger or this will be cast aside and they will decide everything on their own? Anyway, I support all your resolutions, especially resolution number 3, 6, and 7. The Company's results are very excellent. CSR, good activities are done. I congratulate the Company for all the awards and accolades. We have made good provisions. Company's outstanding loan book is just excellent; 5,58,263 crore is the outstanding loan book. I congratulate HDFC and all its employees for this wonderful job and thank you for the dividend of ₹ 30. Also, if we get a bonus then we will be very grateful, we will always remember this. This was the Company with which I started first as a shareholder and it has really helped me a lot in my difficult times. I don't appreciate the merger. Anyway, whatever God proposes man disposes and man proposes God disposes. Whatever will happen will happen for the good. Thank you very much and I thank Mr. Ajay Agarwal for the help and support that he has given to all shareholders. Thank you very much. That's all I have to say.

**Moderator:** Thank you. Our next question is from Speaker no. 11, Mr. Vinod Agarwal. Please go ahead.

**Vinod Agarwal:** Respected Chairman, Deepak Parekh ji and Renu Karnad ji, CS Ajay Agarwal ji, and our CFO Srinivasa Rangan ji, good afternoon to everyone, sir. I'm speaking from Mumbai. I voted for all the 10 resolutions sought to be passed on today's AGM. I'm pleased with the performance of the Company. Let us go with the standalone revenue only, ₹ 47,990 crore growth and a PAT of ₹ 13,742 crore and a dividend of ₹ 30 and the average loan size was ₹ 33 lakhs. 3,14,000 customers were eligible for credit linked subsidy scheme which qualified for ₹ 52,144 crore and subsidy from our Corporation was ₹ 7,224 crore. Sir, my 2 or 3 observation from the annual report. Sir, it has been filed in the status that now you would be 78 years I assume so sir, and with the merger of the bank going through would RBI have any problems with your superannuation. I as a shareholder would like you to continue to be the Director and an active Director of the merged bank, sir, because we are pleased with your performance and age is just a number. A person's ability to work should be seen by the RBI not just as number of age. This is what I would suggest and I request the RBI. Shareholders are asking

for you to continue to be as an active Director in the merged bank and another observation of the annual report is we are mostly in the financial banking sector. The RBI mandates us to write lakh as L-A-K-H, not lac. In annual report, at places where lakh has been written as lac and I wish the Company post-merger and I wish to see you post-merger. Sir, signing off, Vinod Agarwal from Mumbai.

**Moderator:** We will move to our next speaker shareholder no. 12 Ravi Kumar Naredi. Please go ahead with your question.

**Ravi Naredi:** Our respected Deepak ji, you are investor role model, respected Keki sir, Renu ma'am and all honorable Board of Directors and employees and fellow shareholders. Sir, it is very good both HDFC and HDFC Bank is going to merge in future as you are doing serious efforts. Can you tell in this way where we reach? If this is 100 kilometers journey, then how much kilometer we traveled so far? Secondly, maximum top management of HDFC, how would they merge with HDFC Bank. I do not need diplomatic answer that HDFC Bank will decide. What is clear first off HDFC top talent to merge with HDFC Bank, that answer is required by all investor community. That is my question. Thank you very much to give me opportunity.

**Moderator:** Our next question is from Speaker no. 13, Santosh Kumar Saraf. Please go ahead with your question.

**Santosh Kumar Saraf:** Respected Mr. Chairman, members present and my fellow shareholders my name is Santosh Kumar Saraf and I am calling from Kolkata. First of all, my Namaskar to all of you. My Namaskar to Mrs. Renu and Mr. Deepak as well. I hope you all are in good health at this time. Sir I want to thank you for giving us such a good dividend and I also thank you for taking such a wonderful decision of merger with the Bank. After merger what do you think how the shareholders will benefit as in business not as shareholders? How much will we progress after the merger if you can tell me that? and one more thing sir do you dispose the e-wastage such as computers, CDs etc. How do you dispose these things and what is your policy regarding the same? One more thing regarding the female employees, I am seeing that we have a male to female ratio of our employee 3:1, I am seeing 26% are female employees and 74% are male employees. What steps can we take to reduce this ratio and so our MD – Ms. Renu is there so I certainly know that she is going to think about it so how to reduce this gap and now President of India is also going to be a female President and our Finance Minister is also a female so I would like in our Company also that this gap is reduced. What will be this ratio after the merger of the Bank? and sir I will also say about disabled employees we have right now around 3599 employees in our Company and we have only 2 disabled employees in our Company. It is very less and we have 2615 hired employees in that only 11 are disabled employees so I would like that disabled employees also get opportunities that would be great and secondly sir this Agniveer Scheme which government has launched in which after four years 75%

candidates will come out so many companies have announced that they will take those candidates in their companies so have you also thought about it, if not then you can think about it and let us know. If you announce beforehand government will also get some help and who are taking education they would also feel that their future is secured. What steps have you taken about booster dose. Total 6000 employees are there whether they are hired or permanent what steps have you taken for them and their family on giving them the booster dose if you can tell us that would be great. I won't say much just would say what steps are you taking about single use plastic it is banning from tomorrow. So, I had seen that you have replaced it with glass bottles and steel bottles. Sir my advice it if you can use copper bottle that will also be very good. Water gets purified in the copper bottles on its own so we don't need to filter that so please think about it. I would like to say about VC meeting it is very good but if you do physical meeting I would request you to kindly keep some time slot for VC meeting as well just like Mr. Naredi connected from Bhilwara and I connected from Kolkata. So, I would like physical meeting with a hybrid meeting session as well like Infosys does and Kesoram also did the same. Not taking much time I would wish you and your family, all the employees and all customers the good health and long life and I pray 2022 becomes a wealthy, healthy, and safe for all of you. Jai Hind, Jai Bharat. Namaskar.

**Deepak Parekh:** Thank you, Santosh ji. Thank you.

**Moderator:** We'll take our next speaker shareholder no. 14, Mr. Dharav Jamadar. Please proceed with your question.

**Dharav Jamadar:** Good afternoon to all honorable members of HDFC Limited. My name is Mr. Dharav Jamadar. I'm a research scholar, PhD finance from Surat. I congratulate all stakeholders of the Company on having a successful financial year 2021-22. I admire and inevitably agree with the statement of our Chairman in annual report that HDFC is not a Company, it's a feeling in itself. Sir, I have certain questions, which I would be glad if you help me answer it. First, how many branches are we going to open in this particular financial year? Second, are we going to raise money via completely new financial products which we did earlier also like Masala bonds from abroad? Third, what retention strategy are we going to apply for the employees apart from ESOPs that has been recently granted to them? and what has been the average increment in our Company? Fourth, which region of India in particular do you think will give us the most revenue in this particular festive season? Fifth, how has been the sentiments of customers and investors post the higher interest rate cycle in India? Sixth, can you please share the capital structure that is the share and cost of capital sources for us in the last financial year? and last request sir, that I had my first job in HDFC Limited itself, but due to my further studies I had to leave the particular job. Now I want to rejoin my Corporation and give my best to the Corporation and take it to the next level. I will be thankful to you if you please update the career portal and help me in finding one appropriate job. Thank you.

**Deepak Parekh:** Thank you.

**Moderator:** We'll take our next question, that's from the line of Deepak Kapur. Mr. Kapur, may we request you to proceed with your question. Mr. Deepak Kapur, request you to please unmute your microphone and proceed with your question.

**Deepak Kapur:** Excellent. Thank you so much. Mr. Parekh, unfortunately, sorry, I was not aware that we could not ask the merger questions, it is very difficult these days to talk about HDFC Limited and HDFC Bank without asking anything about the merger. So, all my questions were related to the merger. I'll have to truncate them and see whatever best I can ask you and use this opportunity. Firstly, I would like to give my note of thanks. It is great to see you at this stage of your career, Mr. Parekh, to take one of the biggest challenges of your life in seeing through this merger between HDFC Limited and HDFC Bank. I'm confident with your vast experience of building and running the largest mortgage business in India, you will successfully integrate HDFC with our own subsidiary with the bank and I'm also sure that the series of relationships you've built over the years with your experience and wisdom in the financial services industry and with the regulatory authorities will come in handy in the next few months. I would also like to give my special thanks and appreciation to Mr. Keki Mistry, who has been in the forefront of HDFC Limited's performance over the years and has very eloquently every now and then been explaining the dynamics of the mortgage businesses to the markets. He has shown exceptional performance of the business during the pandemic years and he's always been positive in the growth of the Home Loans business during the last few tough years. He has also been at the forefront of talking to investors and shareholders at regular intervals and I would like to thank him for his accessibility in time on most of the occasions. I'm hoping he will continue to provide exceptional leadership in the years ahead in the combined entity on the Board. Now, coming to some questions, I'm sorry, I don't have many which are not related to the merger. I can just say that perhaps it might be great, Mr. Parekh, if you can, when you sort of take up these answers, give us a little bit of flavor on how the RBI approval is progressing as to some approximate timelines when we expect an RBI approval to come through? and how is it going with respect to the discussions with them, especially around the dispensation requested on the statutory requirements and the glide path which you have requested RBI? So, a bit of flavor on that will be very useful. Currently, the other thing I can just say is that we have seen a lot of FIIs selling in the market and obviously, since we were at one stage 72% FII held, and now I think in the annual report I saw this time is about 68.9% FII holding which shows that it is impacting us and our valuations. I wonder, given the strong strength of the domestic institutions in buying and sort of propping up the markets, including retail shareholders, what is our strategy going forward till the time we merge in terms of attracting domestic institutional investors to our stock, and our organization to invest in us?

So, I think that is something given the inflation, which is going to be very high in the US, at least for another year or year and a half. We don't know how the FII situation is going to span out, and whether they're going to return to the markets in the near future and given the strength of the Domestic Institutional Investors and the mutual funds, and the inflows, I think might be a very great idea for us to have a look at them and get them to invest in our funds. I know it's not easy given the exchange, ETF and all that kind of investments which happen. So, I won't take more of your time. Given the fact that merger questions are going to be taken up separately in a separate meeting, perhaps once we come to know when that meeting is one could participate in that. But I had 2 or 3 more merger related questions, which as you said, you would prefer that that could be taken up separately. So, other than that, thank you very much for your time and I really appreciate all the good work which is being done by everybody in HDFC Limited. Thank you.

**Deepak Parekh:** Thank you, Kapur. Thank you.

**Moderator:** Thank you. We'll take our next question from Speaker no. 15, Mr. Aspi Bhesania. Please proceed with your question.

**Aspi Bhesania:** Sir, it's nice to see you again and I hope you continue to remain here even at 77 and 87. Sir, you've done very well in this year also. Sir, I would like to know after merger what will be the ranking of our bank? It will be what number? Because there are so many other big banks also who continue to do well. All the best. Everybody has said so much about the Company, I would like you to just take care of the unpaid dividends which are unnecessarily going to IEPF. Thank you, sir, and all the best.

**Moderator:** Thank you. Our next speaker shareholder, Mr. Hiranand Kotwani has informed that he would not be attending the AGM due to other commitments. We will now move to our next speaker shareholder, that's number 17, 18 and 19, Ms. Nirupama Sharad Kumar Shah, Ms. Surekha Sharad Kumar Shah and Mr. Sharad Kumar Jivraj Shah. They are all jointly connected on an audio call. I would just unmute their audio. Please proceed with your question.

**Sharad Shah:** Hello. I am very happy with our Company Secretary, because there are lots of meetings. On 17<sup>th</sup> he wrote one letter and asked me to make registration so that I may not forget all these things. Another thing what I wanted to tell you that what he has done for me that I will come to know tomorrow, which is why I'm not able to tell you today, but one thing is definite, his service from your department is excellent. Whether you have got own share department or whether Link Intime, it doesn't make any difference because when Ajay is there, there is no problem. Sir, another thing, I refer page number 309, 308, 167 and what I found sir; you have saved financial cost in the order of ₹ 1,850 crore to ₹ 2,000 crore and you have saved impairment cost of around ₹ 1,000 crore and you've done a very good thing that you have sold Bandhan shares, so we have ₹ 1,500 crore and this amount is above our employment cost. So,

practically employment cost for us is nothing or zero. Another thing what I wanted to tell you because of these what has happened, our PAT is 4 year highest and the profit per employee is also highest and I support resolution no. 6 and no. 7, sir and you were a Director in Indian Hotels, you resigned from 3 years back. But if I refer their balance sheet and the beauty of that balance sheet is the Company is out of all problems because of the right issue and QIP and their complete debit is removed. So, what I feel that each and every company and whether it is TATA Company or whether it is any Company, go for right issue or QIPs to see that debit is absolutely zero sir and my last point is, sir, dividend payout ratio. Our dividend payout ratio is only 24%. TCS share price is ₹ 3200, dividend payout ratio is 43%. Asian Paint price is ₹ 2,600, payout ratio is 58.5%. HUL, you were Chairman earlier, price is ₹ 2,300, payout ratio is 90%. Colgate, ₹ 1,500, payout ratio is 100% and the ITC, the price is ₹ 270, and the payout rate is 110% and another thing, if I see page number 40, the share price in November'21 was ₹ 3025 and today price is something like ₹ 2,200 or ₹ 2,300. So, really my worry is whether you merge the Company or you don't merge the Company we support companies mainly because of its share price and dividend and my feeling is that because of the merger, my amount of dividend definitely will come down. So, really from that angle, I'm not with you for the merger. You may say that the Company will do well or something like that, but this is only the point and once you increase share price, once you increase dividend, definitely I don't have anything related with the merger whether you do it or you don't do it, my interest is only the market price and the dividend and why I to speak basically my experience yesterday also Bombay Dyeing and today also HDFC where chorus is there, there is a problem in voice and rest of the meetings, I do not have any problem. So, please look into this issue and request chorus people to see that this voice problem, audio problem does not arise. They are really good people. They help people. They also put me today and yesterday also on mobile. Thank you very much for giving me the opportunity to speak. Thank you very much, sir.

**Deepak Parekh:** Thank you.

**Moderator:** We will move to our next speaker shareholder, that's Ms. Shobhana Mehta. I request you to please proceed with your question.

**Shobhana Mehta:** Respected Chairman, Shri Deepak Bhai, Vice Chairman and CEO, Shri Keki ji, and MD, Shri Renu ji, all my directors and shareholders, my name is Shobhana Mehta. Sir I got the soft copy of the notice and the balance sheet well in time by email by the secretarial department and our Company Secretary, Mr. Ajay has made a very informative balance sheet. In "Journey over the Years" page they have tried to tell the story of the Company with the colorful pictures from year 1978 to 2022 so I would thank Mr. Ajay and his whole team, very well done! Very keep it up! Sir results have shown excellent and encouraging performance and seeing the good results you have increased our dividend also and recommended to increase the dividend from ₹ 23 to ₹ 30 for ₹ 2 per face



value share. So, congratulations to you and to your entire team, and I would like to say by giving good wishes as always. Sir I have heard about the merger I would give my best wishes; I would talk about merger in the meeting of merger. Today it is AGM so it would not be right to talk about merger much. Sir Deepak Bhai you are such a huge hearted man few minutes back one of the speakers has said that he thought the payout ratio is very poor so I would say that Deepak Bhai you don't want to give cash. Deepak bhai as much as I know you I would say I fully trust you that whatever you would do it will be in the benefit of the Company and shareholders and sir wherever there is faith we don't question. So, today not asking any queries whatever resolutions you have put forward I support all the resolutions and give best wishes for the Company that our Company progress leaps and bounds every day. Lastly, I thank Mr. Ajay, Ms. Lakshmi, and team Chorus for giving us an opportunity to joint this AGM meeting they have reminded us and they have registered my name only timely basis. Thank you very much. Wish you all the best. We will meet after the break. Sir it will take one to one and half years for merger. How much time would it take for meeting of merger?

**Deepak Parekh:** Thank you.

**Moderator:** We'll proceed with our next question, that's from the line of Tamal Kumar Majumdar. Please proceed with your question.

**Tamal Majumdar:** Good afternoon, Parekh sir, Mistry sir, Ms. Karnad and other directors of the Company. Myself, Tamal Kumar Majumdar, equity shareholder from Kolkata. For the last 3 days I'm suffering from viral fever, I'm bedridden nearly. But it is always a pleasure attending a meeting chaired by you, so I thought of attending this meeting despite my health-related issue, sir. My special thanks to our Company secretary Mr. Ajay Agarwal and his team consisting of Mr. Arunabh Bhattacharya, Ms. Lakshmi Shetty and others for maintaining cordial relationship with shareholder. Ajay is always available by phone or mail and always ready to sort any shareholder related problem. Thank you, Mr. Chairman for putting such a dedicated person to look after the interest of shareholders. The Board of Directors of the Company on April 4<sup>th</sup> 2022, decided to merge the business of 45-year-old father with the business of 28-year-old offspring HDFC Bank Limited. Chairman Sir, you are associated with the Company since its incorporation and subsequently the team became formidable after joining of our beloved Mr. Mistry, Madam Renu Karnad and others and it became a classical Company with top leadership in the housing loan business with cumulatively financing 9.3 million housing units as on March 31 2022, and the dream run is continuing with recording fastest ever monthly individual disbursement in March of financial year, 2022. Due to continuous pressure on NBFCs and NBFC Housing Finance Companies by the RBI, I believe the board has taken the right decision of its merger with HDFC Bank Limited and do you believe the other NBFC Housing Finance Companies will follow your example in this regard in the upcoming years do you believe that.

and Sir, I have some queries regarding to auditor accounts and other methods and seek your indulgence not take too much time but seek your indulgence. Sir, our dream run as regards the recording of highest ever monthly individual disbursement took place in March 2022, whether the same dream run will continue in the current Q1 of Financial Year 2023, also and what is your expectation from the remaining part of the year. Sir, we used to sell loans to HDFC Bank Limited whether after the announcement we will stop doing that? Or it will continue as usual. We used to sell housing loans to the HDFC Bank and we have a massive deposit of R 1,60,900 crores as March 31, 2022. Whether we are continuing accepting deposit or whether we stopped accepting those deposits as on date. Whether we are still continuing the same till the NCLT meeting or we have actually discontinued receiving that after April 4, 2022. I want to know in this regard and your viewpoint Sir and Sir, as mentioned in page 29 that the Company has put its best internal audit policy and appointed Mr. Arjun Gupta as the Head of Internal Audit as instructed by the RBI and the good thing is that RBI said it will start from after June 30 2022 but our Company appointed much earlier than this. This is the difference between our HDFC management and other companies. Whether they will supplement the external audit in this regard and the internal auditor Mr. Arjun Gupta will supplement the statutory auditor in this regard? Sir, we have noted that our Company decreased its stake in HDFC ERGO General Insurance Company Limited by selling R 44,12,000 equity shares to Ergo International AG in order to make our stake to 49.9%. In this regard, I want to know, whether regulatory authority approved the sale of 4.99% of HDFC ERGO and it appears though it is merger related. I am not insisting for the reply. It appears if RBI approves it then again it will become a subsidiary after the merger. Sir whether our Company will continue without investment in Yes Bank Limited. We invested in 100 crores shares of Yes Bank Limited and the embargo will open March 30, 2023; whether we will continue with it or we will sell the investment after the embargo is open. Sir in note 18.3 page 212, the Company raised R 6100 crores under MTN program during the year. The bonds are unsecured and currency risk is to be borne by the investor. Does it mean that it has predetermined rate of the payment because you said the currency risk will be borne by the investor alone. It is an unsecured debt and currency risk will be, does it mean that it is a predetermined rate? Whether it has been traded regularly at the London Stock Exchanges? Sir what is the present status of synthetic Rupee Denominated Bonds balance of R 1,800 crores as on March 31, 2022, whether we repaid the amount, as on date or whether we want to continue it? Sir, what is the present status of charges satisfaction as mentioned in the note 18.5 in page 212 by RoC Mumbai. It appears the Company submitted all the documents regarding R 365 crores NCD, I think, but RoC Mumbai has not taken the steps in this regard. What step the Company is taking because this type of note in HDFC looks very bad. I hope Company will take appropriate step for its recording by the RoC. I have seen your letter to us, you lamented for less mortgage penetration in India at 13% of GDP. We want to know

your view in this regard in the next five years. Sir, Bank, NBFC, Housing Loan Company are pressing the government & RBI for compulsory insurance of the housing loan amount and last year you mentioned it in your letter to us. What is the thinking in this aspect as on date? Do you believe that the government or regulatory authorities will make it mandatory in the coming years or within a short period of time. Whether the resignation of Ms. Renu Karnad as the Director of Unitech Limited is accepted by the department as on date. Sir, the Corporation completed the sale of equity shares of Good Host Spaces Private Limited and it ceased to be an associate Company of the Company, whether this is being done keeping in mind the merger or it is a commercial sale? Sir, we want ERGO listing before the merger takes place. ICICI listed its General Insurance Company but not our Company though we are in the business for a long time. I want to know your thoughts in this regard. Is there any possibility of its listing in the near future within one year or two years, Sir, it pained me a lot that the Company is not doing any CSR work in Calcutta or in West Bengal though you have a small presence in it. I hope, Parekh Saheb you will look into it and lastly one thing shareholders are saying about the bonus issue because the exchange ratio is already being announced. 42 shares of HDFC bank against 25 shares of HDFC Limited in the merger. So, is there any possibility, I want to know because all of you, Mr. Mistry, you are all leading accountant. Whether there is any possibility of issue of bonus shares otherwise the exchange ratio will change? Everybody is asking for bonus share and thank you all for patient hearing. Thank you all.

**Deepak Parekh:** Thank you.

**Moderator:** Thank you, we will take our next question from Mr. Bharat Shah, please proceed with your question.

**Bharat Shah:** Respected Chairman Deepak Bhai, Renuji, Keki Mistryji and other respected directors, my name is Bharat Shah. Sir, I will just take one to one and half minutes. Sir, I do not have any query. I have been a shareholder of HDFC Group for many years. Even in times of difficulties, you have taken the Company much forward, respected the shareholders, have given good return, and have also rewarded dividend unexpectedly. I am thankful and congratulations on all your activities. I am also thankful and congratulations on the CSR activities. Sir, the people before me also spoke about bonus, so definitely think about it and it is my humble; request that you give the bonus. Sir, share about your future plans in five years ahead. I wish to congratulate the Company Secretary Mr. Ajay Agarwal and his team consisting of Ms. Lakshmi, Arunabhji, Vaishaliji and I am also thankful to them for their hard-working attitude. Always answers shareholders questions, respects shareholders. If you were to call Ajay Bhai anytime even if he is in a meeting, and if he does not have time, he will later call back and respects the shareholders. I wish to thank his full entire team and they are providing good investor service. Mr. Ajay Agarwal and his secretarial team is providing good investor service and I am very

thankful to them and please give Mr. Ajay Agarwal promotion. He has been providing hard working service for a very longtime. Sir, we were not able to have a face-to-face meeting for the past three years, Sir, I wish to see you personally. So, if possible after the Diwali please arrange for a get-together and Sir, please arrange for a physical meeting next year, so we can see face-to-face at the hall if would be a great joy. I want to wish you for coming festival seasons like Diwali and Dussehra in advance. Regarding, the resolutions, I fully support. Thank you very much Sir, Jai Hind, Jai Sri Krishna. Thank very much Sir.

**Deepak Parekh:** Thank you.

**Moderator:** We will take our next question from Mr. Adil Polad, he is connected via an audio call. Please proceed with your question.

**Adil Polad:** Thank you very much, you have been very kind. The whole secretarial team of HDFC has been very kind and they have been keeping in touch with us throughout the year not only during the AGM and actually they are the link between the Company and the shareholder. HDFC is sort of ancestral shares, my father bought it, and I have bought it and my children will have it also. So, Mr. Deepak Parekh, thank you, thank you, thank you for everything and please record that I am proposing or seconding resolution number 6. It should be on record. I will ask the Company Secretary to send me the minutes., Mr. Deepak Parekh, at least say something so I can know that you are listening and you are hearing me.

**Deepak Parekh:** Adil, we can hear clearly.

**Adil Polad:** Okay, Sir thank you very much. No because this is now only audio. So, I do not know, you are smiling, I do not know the color of your tie, I do not know anything. Anyway, so I remember now, I think yours was, I do not know HDFC was Ramon House or something house and after that there was ICICI building next to Hindustan Lever and on the fourth or fifth floor, your uncle or whoever it was many years back. There was not HDFC, there was ICICI, IDBI and IFCI. So, during my second or third year of IIT Bombay they used to call us, and we used to have a meeting. On that top flat, forget, I am also becoming old now and that is all history. So, do you remember, we used to have meetings every month, they used to call us, even the engineering staff, there were some lecture talks going on over there, that particular point in time. I am talking about 1972-1973. Resolution no.6 do not forget. Company secretary please put my name as, somebody already proposed and I am the seconder and it should be recorded. I hope, our merger, like as you mentioned, the son taking over the business from the father, HDFC Bank taking over the business from HDFC and so there will be only HDFC Bank now. Under the circumstances you know best what is to be done. and I hope, our HDFC Bank shares go on, because the merger between GRUH Finance and Bandhan Bank has been actually a failure as far as the GRUH Finance is concerned. Thank you Keki Mistry also, Deepak

Parekh, you are both stalwarts. Okay, Sir I will not take much time. Thank you. Stay safe, stay healthy.

**Deepak Parekh:** Thank you, Adil.

**Moderator:** We will take our next question that is from Manoj Kumar Gupta. Please proceed with your question.

**Manoj Kumar Gupta:** Hello Sir, respected Chairman, Board of Directors, fellow shareholders, my name is Manoj Gupta. I am an equity shareholder of HDFC Limited and I have great respect and regards for Mr. Parekh and his leadership and his captaincy and I thank our beloved MD, Mrs. Renu Sud Karnad, we are missing her in Calcutta where she was in board meetings of two Calcutta companies. Sir, I thank your MD and her team for excellent results and good dividend for the year 2021-2022 in the deprived market and the bad condition of the world. Thanks for Merger plan and our bank will be the second largest bank in the country after the State Bank. I thank you and your board to take this decision to merge HDFC with Bank to bring HDFC Bank as the second largest bank of the country. It shows how you think about the corporate Company, how you think about the employees and the investor that shows your forecasting and the ability of what you are capable of. That is why people are looking forward to your leadership and do not suggest to issue the bonus because you do not issue any bonus, just merger ratio can be checked. Sir, I thank you for your CSR work, throughout the country to help the people, society and community, to save the people from the COVID-19. Sir, I suggest you one thing, if you don't mind, do not take any hard action against the defaulter of loans for flat during this pandemic COVID-19 because someone has lost their husband, a single earning person of the family, so ask your people to not take hard action, and reschedule their loan and EMI Sir. It is my humble submission to you because your kind of people and genius people can do in the interest of several people and last but not the least, I will tell you one thing, I have great respect you but I am very sorry to say you Sir, in last December I have visited Ramon House in Mumbai to meet the Company Secretary, your receptionist told me that he does not meet people. I was surprised to hear that how the Company Secretary is not meeting the people Sir. I thank you and I always pray to God for your healthy and prosperous long life and I request you lead the Company group for the next 25 years again. Thank you.

**Deepak Parekh:** Thank you, Manoji.

**Moderator:** We will take our next question that is from Yusuf Yunus Rangwala. He is connected by an audio.

**Yusuf Yunus Rangwala:** Good afternoon Sir, speaking from Mumbai. I have received an excellent balance sheet that is 452 pages, that is very colorful. I am very happy with our Company Secretary, Mr. Ajay Agarwal Sir who is very handsome, hardworking secretary. I have not seen such secretary in such

a good Company. He is a very hardworking secretary. Today HDFC, we have a good hold on loan business and housing business and Sir, Renu Madam and her team, no matter how much ever I thank them it is beyond words. Sir you have total 12 subsidiaries, what will happen to these subsidiaries after the merger, whether it will remain with the Company or go to bank. How will it work? I wish to know Sir. Is there anybody infected by COVID-19, I would like to know. Total number of staff, along with the merger will they go to the bank and what is the total number. For the merger, it will take 1-2 years. This is 45<sup>th</sup> Annual General Meeting Sir, I am wishing a very happy 45<sup>th</sup>, next year will be 46<sup>th</sup> Annual General Meeting. Sir, now it is three years and our Corona is not going, so next year Sir please arrange for a physical meeting, it is my humble request. I am glad I spoke with Mr. Deepak even in his busy time. Deepak sir as your name suggests you are shining bright and as well as the Company also is doing well with an excellent balance sheet and God bless and also thank our Lakshmi Madam, who is a very hardworking. I had received a call from her. Sir you have given dividend in abundance, gave a dividend of Rs.30 on share of Rs.2. Nobody gives such a good dividend in financial Company. We are the leader in the financial Company and we are at the no.1 Sir, and I am very happy and I am proud to be in an excellent Company shareholder Sir. Thank you very much. Jai Hind. Please take care. Thank you very Sir.

**Deepak Parekh:** Thank you, Rangwalaji.

**Moderator:** Thank you. Our next speaker Mr. K.S. Balasubramanian has informed us that he will not be attending the meeting due to other commitments. We will therefore move to our speaker shareholder that is Mr. Hariram Chaudhary. Please proceed with your question Sir.

**Hariram Chaudhary:** Chairman Deepakji, Board of Directors, my name is Hariram Chaudhary I am speaking from my home in Santacruz. I first of all thank you to Company Secretary, Mr. Ajay Agarwal ji and under his guidance Ms. Lakshmi Shetty ji for assisting me in joining the meeting. I want to know who is the Chairman of the CSR committee and who are the members of the CSR committee and how much amount is spent on CSR and whether this amount is more than 2%. How much amount did they spent for COVID affected people. Deepak ji, I appreciate that when 2% was not mandatory even at that time I used to speak for 2% and you used to agree. I appreciate your concern for the CSR. Now, because of merger of HDFC and HDFC Bank, there should be a get together of the speaker shareholders.

**Moderator:** In the meanwhile, while we check the connection for Mr. Hariram Choudhary, we would take our next participant, he is connected on an audio call. Mr. Hasmukh T. Vora please proceed with your question.

**Hasmukh T. Vora:** Respected Chairman, first of all, regarding the merger, I would like to know, how is the proposal received by the institutions especially FIIs, the foreign institutions whether they have liked our proposal for merger.

Whether they have increased their holdings subsequent to the merger proposal. Then second thing is this merger because of the NPA of the HDFC Limited or is it some other reason. I believe that NPA is a reason and because of that we are going for the merger. So, I would like the Chairman to give his views on this. Then lastly, in the past we had so many onboarding of companies they had demerged, some called HDFC Life, HDFC AMC and all that. In that all the shareholders have gained quite nicely but actually there was one merger and GRUH Finance had merged with Bandhan Bank in that all the shareholders who put their savings, have lost heavily. I also had put my saving in this bank and I find that the value is about 50% of what I had invested. So, I just wanted to give my view that was not a proposal which has benefitted all the shareholders. Lastly, Mr. Agarwal and his team is quite helpful and gives all the assistant to the shareholders so I convey my compliments to him. Sir lastly thank you and all the best.

**Deepak Parekh:** Thank you Mr. Vora.

**Moderator:** Thank you. Our next question is from Mrs. Homayun Pouredehi.

**Homayun Pouredehi:** Mr. Deepak Parekh, it is such pleasure to hear from you and speak with you. Now since so many decades we have been associated with you and you were favorite of Behrouz. Behrooz, loved you, very much. Since many people have said, so I do not want to say much but what I want to say is that in our area Marine Lines, Bombay, South Bombay yes there are many towers by Ajmera Builders. I want to ask you is it that even the builders have tied up with certain banks, with certain institutes for loan to purchase flats. Do you have any tie up with any builder for giving loans for purchase of flats? I just want to know that and this is one question. Sir, yesterday your asset management team was so good and today Sir, the Secretarial Department, Mr. Ajay Agarwal all of them have been good I am grateful to that. Do you and are you posting any aggressive marketing strategy for our Company, for people to come in as so many banks are advertising every day, so low rate of interest, 'come on, come immediately'; you just have a click and you will be given loan. So, what we are doing in that respect, our executives are going, spreading, visiting people at their homes, explaining to them, we want to know that. At loans, I do not want to say further. About the AMC office how you are dealing with them. Sir that is all, I am closing and wish the Company all the best and as the previous speaker said I hope we are not the loser in the HDFC Bank as we have been losers in many mergers in many companies. Shall I give you the names, one after the other about Vedanta, which merged with so many companies. How much we had lost. Yes Bank, State Bank of India, merged with a power of five banks and we had too much loss. Since it is Mr. Deepak Parekh, we hope this situation will not arise with us, with the merger. Okay, thank you very much. All the best.

**Deepak Parekh:** Thank you.

**Moderator:** Thank you we will take our next question that speaker shareholder number 30. Mr. Kushagra Jain, please go ahead with your question. Mr. Jain it looks like you have muted the microphone from your device could you please unmute it and proceed with your question.

**Kushagra Jain:** Good evening to all the shareholders and Board of Directors of HDFC Limited, I Kushagra Jain, I am customer as well as a shareholder. It is the first time I am addressing the AGM of HDFC. At the outset, I would like to say that HDFC is well run Company with a strong management who sets the highest standards of corporate governance. I have a firm belief that customer feedback is very important for any Company. If the customer feedback is augmented by shareholder feedback, I am sure it will lead to a win-win situation for the customer, the Company, and in turn the shareholders. Last year, while applying for a home loan from HDFC, I observed certain policies which are disadvantageous for both the customer and HDFC. Sir, as a policy HDFC does not finance certain property costs such as stamp duty, registration etc. even though loan to property value is substantially less than 75%. In such case the borrower has to arrange his funds to meet such cost by redeeming his investments which might be earning a high return and ends up paying taxes on the capital gains accrued in the process of redemption. HDFC loses the opportunity to earn more interest had their loan value being higher though within prudential limits. I got a response from Company Secretary during my correspondence on this issue last year but I was not satisfied, so I thought I will bring it to the notice of the management and I am sure management will again give its due consideration to my views. There was another issue, which I noticed during that process, this is related to legal verification of the property which is done by a panel of lawyers. I paid the fees of this verification in cash which should be avoided. I am sure the lawyer would not show these fees in his account which is to put it very bluntly leading to black money by the lawyer. I suggest that the fees be collected as part of loan processing. I thank the management for opportunity to speak at the AGM.

**Deepak Parekh:** Thank you.

**Moderator:** Thank you. Our next speaker shareholder number 31 Mr. Irshad Y Modi had registered but has not connected to this meeting. We will therefore move to our next speaker shareholder Mr. J.J Sanghvi. Please proceed with your question, Sir.

**J J Sanghvi:** Respected Chairman, Deepak Parekh, Vice Chairman Keki Mistry and Managing Director Renuji and Board of Directors and Sir Ajay Agarwal, Company Secretary. Sir, I am much grateful to you, the way in which Mr. Ajay Agarwal is very down to earth and mixing nature. If someone calls him, he speaks very politely with them. Deepak ji Sir, I wanted to meet you in person but I am unable to meet you and now my age is 76 years old. In 1978 I became a shareholder then I bought my own flat at Peddar Road and that time also became a shareholder of HDFC Limited. Sir, I have a humble request. After the merger in my opinion our



overhead expenses should be reduced since in many places I have noticed that HDFC unit is present within half a kilometer. So, in my opinion in order to reduce the cost. HDFC bank needs to cut short the branches and increase branches at the places where the distance is more. What I wanted to ask is that when I had taken a loan, I felt the overhead expenses were pretty high. After some time, I had left it. I am an account holder for 45 years in Citi Bank and I had to go back there again. What I meant to say, is if we wish expand the business then overhead charges should be reduced and interest rates also should be reasonable when compared to other banks. Of course, Citi Bank is going shutdown within a few months but what Axis Bank had taken if our HDFC Bank had taken it would have been much better and what I wanted to say is, I have an investment in HDFC Mutual Fund and the way in which other AMCs send their valuation through WhatsApp, similarly if HDFC Mutual Fund also provides valuation information it would be even better. That is all the request that I had and I have told you and I am agreeing to and passing all the resolutions. Thank you very much Sir.

**Deepak Parekh:** Thank you.

**Moderator:** We will take our next question speaker shareholder no. 33 Mr. Kriti Shah is connected via an audio call. Mr. Shah over to you.

**Kriti Shah:** Chairman Sir, I have sent you an email, please reply to it. Wish you all the best. Thank you very much. Quite a lot of people have asked similar questions even I have 10%-15%, so you have a look at it and reply it to me. Wish you all the best. Thank you very much.

**Moderator:** Thank you. We will take our next question that is speaker shareholder no. 33 Mr. Harshad Savani. Please proceed with your question.

**Harshad Savani:** Chairman, Board of Directors, my fellow shareholders and employees of the Company, my name is Savani H L. Sir, I thank you, for sending me annual report. Sir, I am very old shareholder, since inception but since last two years I could not attend the AGM due to pandemic COVID issue. It is very nice to note that our Company achieved growth revenue of R 47,990 crores and profit after tax R 30,742 crores and EPS of R 76 and highest deposit of Rs.1,60,900 crores. Sir you are requested to solve my following queries. Sir what is the specific reason for being merger with HDFC Bank. Our Company is very transparent and has very good track record reputation in the corporate sector but I am very sorry to state that the Company did not take their shareholders in confidence and took such a big decision of merger. It did not bother to take opinion of their shareholders, market did not like this decision and share prices fell from April 4, 2022, which is very unlucky day for all the shareholders. From the share price of R 3,021, 52 week high, today it has gone down to R 2,152. Sir, my another is question, there is some changes in the share capital though explanation is given but I could not understand please throw some light whether it is advantages or against the future profit of the Company. Sir in profit and loss account, item no. 1(6) net gain on

fair value changes R 938 crores compared to previous year R 956 crores. Sir what is this item and what is the meaning of this. Item no. 1(8) income on derecognized loan R 1056 crores what is this income Sir please give explanation. Sir, page 192 unclaimed dividend is R 23.46. Sir, it is very big amount Sir. Our Company is very reputed Company; it sends all the information to the deposit shareholders if they are unclaimed but Sir how this R 23 crores has been piled up. Sir, we should try to find out the shareholders and intimate them immediately Sir. Sir our next item, there is a very big amount and this will go to the shareholders and Company should take serious things in this. Sir page 196, loan installment with interest R 1,255 crores from R 529 crores. Sir, this is almost double and needs to be monitored, otherwise it will convert into bad debts. After merger, what HDFC Limited is going to do with their offices and excess staff. Sir, now coming to profit and loss account item number 33 - Other Expenses, Sir travelling expenses, it is Rs.12.54 crores, last year it was R 7.80 crores, it has gone up by 60%. Legal expense, this year it is R 42.55 crores from R 32.22 crores; it has gone up by 31%. Loan processing expense, it is R 89.30 crores it has gone up from R 71.47 crores. Sir directors' fees it is R 8.06 crores gone up from R 6.92 crores which is 16% up. Sir, these expenses should be monitored and curtailed. Sir, before the merger shareholder of the HDFC Limited should be rewarded to all loyal shareholders by issuing bonus shares because we have trusted you people and we remained from inception with you. Sir, at present there is no uniformity in face value of shares Sir. Some companies giving R 10 share, some is R 4, some is R 6, ours is R 2. Sir in construction line, no builder can sell on super built up, similarly there should be uniformity Sir. Before you retire Sir, you take this matter with the SEBI that all the companies should have uniformity in the face value. Sir, what will be the position of FD holders after the merger with the HDFC Bank whether they will get the same interest rate because HDFC Bank will be having some different interest rate for the same period. Thank you, Sir.

**Deepak Parekh:** Thank you, Mr. Savani.

**Moderator:** Thank you. We will take our next question, that is from our last speaker shareholder, we have been able to reconnect with Mr. Hariram Chaudhary is connected by an audio call. Mr. Chaudhary you may please proceed and ask your question.

**Hariram Chaudhary:** Thank you madam. Chairman Deepakji and other directors, my name is Hariram Chaudhary, I am speaking from my home at Santacruz, Bombay. First of all, I thank the Company Secretary who has helped me in joining this meeting, Lakshmi Ji, Ajay Agarwal Ji, and all other secretaries. I am asking only about CSR. How much amount we have spent for CSR activities and how much amount for COVID affected people we have spent. Kindly let us know who is the chairman of CSR Committee and who are the members of the CSR Committee. Now since they are holding this meeting not physical, therefore, I suggest that a

Diwali get-together may be organized of speaker shareholders. This may kindly be considered. I support all the resolutions including appointment and re-appointment of the directors. Now, I suggest one suggestion, that we should insist upon the builder they should have solar panels on their terraces and we should finance the solar panels. The AGM minutes may be sent to me, I will pay the necessary charges and I conclude by conveying my best wishes for all the progress and prosperity of the Company. My name is Hariram Chaudhary, thank you Deepakji my name is Hariram Chaudhary.

**Deepak Parekh:** Thank you. Any more speakers, mam?

**Moderator:** That was the last question, over to you.

**Deepak Parekh:** So, I will just try and answer some of the questions and then over to Mr. Mistry. First of all, I would like to state that a number of shareholders were very happy with our secretarial services and the service provided by Ajay Agarwal and his team. Even the board and the NRC committee are very appreciative of the work done by the Secretarial Department and in our NRC committee, we always compliment and we always talk about the excellent work and the hard work that is done by Ajay and his team.

Regarding Lakshmi, I am sure Renu has heard the question and let her take the call on what to do with her, I remember I know her, she has been a very old employee of HDFC, particularly in our Deposit Department. we would also like to thank Ajay for his outstanding work during the year.

Now you know, we have been advised by our lawyers that we should not talk about the merger because this is not part of the agenda of this Annual General Meeting. There is very little we can do because we have to go by what our lawyer's advice. All I can say is that it is not possible for now as one of the shareholders said, for the board to consider the bonus because the swap ratio has been determined by two independent auditors and due diligence has been done by two legal firms and the valuers have given us a fairness opinion, subject to the accounts, the reserves, the balance sheet, the provisions, and everything meant for their value judgement of the ratio. So, any significant deviation like issuing bonus or rights is not possible at this stage. Otherwise, we will continue as Housing Finance Company, and the bank will be doing their own work. There are multiple approvals which we have applied for and someone asked what stage we have made an application to the Competition Commission. We have applied to SEBI, we have applied to Reserve Bank, there are number of departments within these institutions and regulatory authorities which have to go through this case. This is a merger of a large size, so it is difficult to pinpoint exact time but I guess it will be somewhere between 12- 15 months but until then it is business as usual. We can discuss the pros and cons and all that about the merger when we have a special meeting which will be called

for the shareholders to approve the merger. We have got assurance from the bank and its board and its management that all HDFC employees will be absorbed by the bank and you must understand that bank only sources the housing loans while we do the housing loans. This will be a positive thing for the merger, I think one shareholder said all mergers have been negative. My personal view is that this is the best thing that could happen to both the institutions and only time will tell but please bear with us, please have some patience because we are trying our best to see what approvals we can get. As and when we get approvals, we will have to mention it on our website and we will do that. So, it is going to be a positive year and we just hope for all the permissions to come. Even on the deposit side, our understanding is that our liabilities will be taken over by the bank and they will be serviced or be paid on the existing commitments that HDFC has made. The resultant entity i.e. the bank will have to take on that liability on due dates, whether it is fixed deposits or term loans or any other liabilities. Also, they take over the assets of the Company. Someone asked what happens to HDFC offices. There is no duplication of operation and so the bank will require our premises and we will continue to do mortgages from our premises and we will see how this shapes up. On the housing, let me tell you I am particularly optimistic about the future of the housing potential. In my 45 years of service with HDFC, I have never been so optimistic about the future of mortgage business in India as I am today. We have seen the growth shoot up during the last few years including during the last few pandemic years. As you know the penetration level of mortgage to GDP in India is one of the lowest for a large economy housing will grow. So far as the subsidiaries are concerned, we have requested in our application to the Reserve Bank to let them continue to be subsidiaries of the bank. Now we will have to see what the regulators have to say. We will look at ERGO listing, but it is a partnership between a well-known German firm Munich Re and HDFC. Now Munich Re feels that it is not advisable to list at this stage and we should grow the business, we should build this more, and we should consider listing at a later stage. and again, I do not know if it will be in the next six months or so. On the payout ratio also let me say that we are not a multinational, most multinational companies have payout ratios of 80%, 90% and 100%. We are a financial institution, we deal in finance, we need to be cautious, and hence payout ratio always ranges between 40%-50%. That should be the right ratio and it should not be increased and take more risks. Someone asked about selling housing loans. Once we merge the selling of housing loans by us to the bank will not be there, because bank will write all the mortgages and will be listed on their books.

Now on CSR, we have given detailed CSR committee constitution in the Annual Report and Mr. Jalaj Dani is on the committee. In the annual report, there are pages and pages of details of where we have made CSR spend. I think Tamal or Manoj mentioned that we have not given any CSR to Kolkata, which is absolutely wrong. We try and equate the distribution and if my memory goes, around 25% or so we have allocated to Kolkata and the Eastern region. The other point I wanted to make to

two shareholders who asked details on specific page of the accounts, etc. I would appreciate if you would write to us in advance, then we could reply during the AGM because these are technical questions and in these days of remote online meetings all the papers are not available in the same time. We are not sitting in one place due to COVID, we are everywhere and it is difficult to collate that information in a short possible time.

One gentleman also mentioned about, he was an unhappy customer because of certain constraints he faced, let me tell you, we will lend money on repaying capacity of individuals and not on the asset value of the house bought. In the cost of the house, we normally take into account, the stamp duty paid but I am surprised how in your case it was not done. We will have a look at it but thank you for your suggestion. If the loan to value ratio becomes very high then we do not include it. So, it depends specifically on case-to-case basis.

Now whether insurance would be made compulsory for every home loan taker, we are not sure what the regulators will do. On the COVID, let me mention that at most of our offices and the main office, head office and other Delhi and large offices, we had vaccination camp in our offices, where we got a hospital to come to our offices. Not only the employees but also the families of the employees have been vaccinated and we had 2 or 3 sessions for the booster dose. So, let me now ask Mr. Keki if he has any of the questions that I have missed.

**Keki Mistry:**

Thank you Deepak. First is Asha Lata Maheshwari, she wanted to know how many schools we have and how many students we have across the country. We have three schools; one in Gurgaon, one in Pune and one in Bangalore and we have a total of 3,000 students.

Mr. Tiwari wanted to know about warrants. So far, no warrants have been exercised because the last date of exercise of these warrants is August 2023, and normally we would find that warrants always get exercised at the last 2 or 3 months. We have a total of 17,057,400 warrants that are outstanding. These warrants would be exercisable at price of R 2,165.

With regard to Credila and ERGO, Deepak has already answered that question. The in-house share transfer facility was withdrawn for operational convenience which mainly includes increased number of shareholders over the last 2 years, better software being available with RTA Agencies for maintaining shareholders' database etc. We will however continue to very closely monitor the services provided by the RTA. Why no masala bonds have been issued? Well, the reason is that the domestic market in India gave us huge opportunities to borrow rupee money at low cost and therefore, we have not gone to the overseas market to raise money through masala bonds.

Ms. Lekha Shah wanted to know about the merger with HDFC Bank. So, that Deepak has already answered. Mrs. Mascarenhas disappointed with the share exchange ratio. These have been done by SEBI approved valuers. Few regulatory processes are in place, we are in touch with all the regulators to get the necessary approvals. As far deposit agents of HDFC are concerned, we are examining all regulatory and operational procedures or trying to see whether we can engage these key partners in the bank, both for sourcing liabilities and asset products. Please give us time to work out the mechanics and get complete clarity.

What is the FII shareholding in the bank? It is 68.04% as of now. Current status of merger, we have already answered that, we have made various applications and we are awaiting approval.

Mr. Santhosh Kumar Saraf wanted to know about e-wastages of our Company. E-waste vendors who undertake proper e-waste management are selected, thereafter the vendor picks up the assets from the HDFC offices Pan India and provides a green certificate to the Corporation. Last year 18,706 kgs of e-waste was scrapped by the Corporation.

As regards steps to increase disabled employees in the organization, we are an inclusive employer actively encouraging the recruitment, development and retention of people with disabilities. While recruiting we have been encouraging manpower consultants to share resumes of candidates who are qualified for the role irrespective of their disabilities. As of today, we have 13 employees with disabilities working at various offices.

Presently the gender ratio is 3:1. We have been monitoring this branch wise and we encourage our business heads to recruit more female candidates so as to improve the overall gender ratio.

97% of our employees are fully vaccinated. We have reimbursed the cost of vaccination for our employees and their spouse and as Deepak said, we have also organized vaccination drive for all our employees and their families in our offices.

Mr. Dharav Jamadar wanted to know how many branches we proposed to open during the year. It would be around 30 odd offices.

Capital structure in the last financial year is available on the website and Mr. Ajay Agarwal will email it to you separately.

Mr. Aspi Bhesania wanted to know what steps we have taken on unclaimed dividend. We send annual reminders to the concerned shareholders to claim the dividend and we directly credit the unclaimed dividend of those shareholder accounts who have updated their bank accounts.

Mr. Tamal Majumdar had a lot of questions, his first question was, have we stopped the process of the bank sourcing loans for us as well as the securitization. No, we continue to do that it is business as usual as far as we are concerned. Same as the case with deposits; we continue to accept deposits. These deposits as Deepak mentioned will move on to the bank and will be serviced by the bank at the existing rate at which HDFC has taken the deposit. Masala bonds will continue, post-merger. Outstanding masala bond as of date is 1,800 crores and it will run down in the normal course.

Sale of equity shares of Good Host, whether this was on account of merger or commercial decision - this was purely a commercial decision. You also wanted to know how much CSR expenses we have incurred in Calcutta last year, it was approximately about R 11 crores.

Mr. Hariram Chaudhary wanted to know the constitution of the CSR Committee, it comprises of Mr. Deepak Parekh, Mr. Jalaj Dani, Ms. Renu Karnad, Mr. Srinivasa Rangan, and myself and between the 2 years, last year and the year before, we spent a total of R 120 crores on COVID related expenses. How is the merger taken by FIIS - whoever we have spoken to has been positive about the merger. The reason for the merger is most certainly not NPAs, in fact our NPAs have been coming down as you would have seen over a period of time. NPAs went up in the peak of COVID in the first year, but as you would see progressively quarter after quarter thereafter, NPAs have been coming down. So, there nothing whatsoever to do with NPAs.

Mr. Savani had a lot of questions on the various aspects relating to the results. One question was why did dividend income increase last year to R 1,510.99 crores. The reason is that RBI had asked banks not to pay any dividend in the previous to last year. Last year they paid dividend and accordingly the dividend income is higher. Fair value changes is really the mark to market gain on closing investment value. All details on this have been provided in note 29.4 on page 224. Now just for the information of shareholders as you know we follow IndAS accounting and not the traditional accounting method which most other companies do. Since we follow IndAS accounting we are required to mark to market our investments.

Income on derecognized loans this constitutes the loans we have sold during the year. We have a mortgage sharing arrangement with the bank, which is approved by the shareholders, where the bank sources loans for us and we do the credit, legal technical processes. We disburse the loan, and then the bank has the right to buy back up to 70% of these loans. Under IndAS accounting rules, at the time of buying back the loans we are required to take into account the upfront profit at the time of selling these loans.

Unclaimed dividend, we have already talked about. Why our travelling expenses have gone up - while traveling expenses went up last year

because in the previous year there was no travelling expenses virtually because of COVID. In the course of 2021-2022 travelling did start and therefore you will see an increase compared to the previous year. Somebody asked about expenses, here I would like to say that we have probably one of the lowest cost to income ratios that you will see in the financial sector anywhere. Our cost to income ratio stands at 8.1%, the reason why you will see an increase in 2021-2022 compared to 2020-2021 is because 20-21 were significantly impacted by COVID and accordingly various expenses such as electricity expenses or travelling expenses or things like that were very low.

A total number of employees in the bank after the merger would be roughly about 1.5 lakh employees. I think this broadly answers all the questions. Thank you.

**Deepak Parekh:**

I just want to mention a few things. Recently, I have been corrected that the National Housing Bank has asked Housing Finance Companies not to include stamp duties and extra charges in the cost of the house. So, we have stopped taking that into account. This was a recent amendment by the National Housing Bank.

I also wanted to mention that every shareholder is happy with the secretarial except Manoj from Kolkata. Manoj Kumar from Kolkata please meet me and we will meet the Company Secretary together. He is the most accessible Company Secretary I have ever worked with and the issue on CSR I just wanted to add that a large amount of CSR seen in the annual report has been for COVID in different parts of the country.

One person asked about tie up with builders, yes, we work with all builders whoever constructs loan because they are the suppliers of business for us but we do not have any joint ventures with them. NPA is certainly not linked with the merger. As I mentioned in my opening remarks, we have over R 13,000 crores in our provision for doubtful debts and all provided from the P&L account.

One shareholder wanted to know whether because of the FII selling out the stock has not done well but we are to meet all the domestic institutions and all the mutual funds that are high net worth individual family, offices. The team is doing that on a regular basis.

Unclaimed dividend is something but it pains me to see the amount increasing year by year but people just do not accept and let us know change of address, bank account. This has become a perennial problem for most of our companies we see every year, the amount going higher and higher. It is a sad state of affairs but we try and contact them, we try and phone them, we keep writing letters, many of the letters come back that the addressee or the address is wrong. So, we try our best, but unfortunately, our dear shareholders lose money which they are not claiming.



I think we have tried to answer all the questions. So, with that I would like to now mention that those who want to vote now may do so. The e-voting facility would be available for the next half an hour. The Corporation has appointed Mr. Bhaskar Upadhyay partner of M/s. N. L. Bhatia & Associates Practicing Company Secretary as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

I authorize Mr. Ajay Agarwal, Company Secretary to receive and declare the voting results along with the scrutinizer's report, intimate the same to Stock Exchanges and place the same on the website of the Corporation. The resolutions as set forth in the Notice shall be deemed to be passed today subject to receipt of requisite number of votes.

With your permission, before I call this meeting to an end, let me hope that the next meeting will be face-to-face and a physical meeting if possible, we will try and do that. Thank you all for your interest in the Company, for your attendance and let me once again thank our Board Members for being with us for so many hours and in full attendance today. Thank you.