

Transcript of the 27th Annual General Meeting of HDFC Bank Limited**Mr. Santosh Haldankar - Company Secretary, HDFC Bank:**

Good afternoon, dear members and a very warm welcome to this 27th Annual General meeting of the Bank. I, on behalf of the board members and the management, hope and wish for the safety and good health of all the members and their families. In view of the outbreak of the pandemic, this meeting is being held through video conferencing as per the Companies Act, 2013 and in view of the circulars issued by the MCA and SEBI. Members may note that the Bank is providing a live webcast of the proceedings of the meeting on the website of NSDL. The Bank has received three corporate representations for 116,46,25,834 equity shares of the bank, which represents 21.07% of the total voting share capital of the Bank. The Register of Directors and key managerial persons, the necessary certificates from the statutory auditors, all relevant documents referred to in the notice of the AGM are available electronically for inspection by the members during the AGM. Members who wish to inspect such documents may send their request to me. While we have provided the e-voting facility to the members, the same is also available to members during this AGM. Members who have not yet cast their vote may cast the same during the meeting. Please note that members who already voted on the resolution by way of remote e-voting will not be able to vote again at the AGM.

Before we proceed, I would like to appraise you with certain guidelines to be observed for this AGM. We have around 42 speakers for the meeting. All members are by default placed on mute by the host to avoid any disturbance and for the smooth conduct of the meeting. Once the question and answer session commences, we shall announce the name of the member who has registered himself/ herself as speaker shareholder. The speaker shareholder will thereafter be unmuted by the host. The member is requested to click on the Video button to enable the video mode to proceed to speak. If the member is not able to connect through the video mode for any reason, they can continue with the audio mode. Members are requested to ensure to be seated in an area which has proper lighting and minimum interference for clear proceedings. In case it is observed that the member is facing connectivity issues at their end, then the next speaker shareholder would be invited to proceed. Once the connectivity improves at the members' end, he/ she may be given an opportunity to speak once other speakers have finished expressing their views. In case members face any difficulty, they may reach out on the helpline numbers mentioned in the notice of the meeting on page no. 9. Participation of members through video conferencing, other audio-video means is being reckoned for this quorum. I now wish to inform the members that 108 members are present here attending this meeting through video conferencing. Accordingly, the requisite quorum is present for the meeting.

Now without any further delay, I now request the Chairman, Mr. Atanu Chakraborty, to continue with the proceedings of the meeting. Thank you. Over to you Chairman sir.

Mr. Atanu Chakraborty - Chairman, HDFC Bank:

Thank you, Santosh. I thank all the members, my colleagues on the board and the auditors and the management team for joining this meeting over the video conference. Given the pandemic situation, the Bank has taken all necessary steps for members to participate in this AGM through video conference or other audio-visual means and vote at the AGM. Now, I take this opportunity to introduce all my fellow board members participating in this meeting through video conferencing mode:

- Mr. M.D. Ranganath, Independent Director and Chairman of the Audit Committee of the board
- Mr. Sanjiv Sachar, Independent Director and Chairman of Nomination and Remuneration Committee
- Mr. Sandeep Parekh, Independent Director
- Mr. Malay Patel, Independent Director
- Mr. Umesh Chandra Sarangi, Independent Director and Chairman of Stakeholders' Relationship Committee
- Mr. Srikanth Nadhamuni, Non-Executive Director
- Dr. (Mrs.) Sunita Maheshwari, Additional Independent Director
- Mrs. Renu Karnad, Non-Executive Director
- Mr. Kaizad Bharucha, Executive Director
- Mr. Sashidhar Jagdishan, Managing Director & CEO

The representatives of M/s MSKA & Associates, Statutory Auditors and M/s Alwyn Jay & Co., Secretarial Auditors are also attending this AGM through video conference.

As confirmed by the Company Secretary of the company that the quorum for the meeting is present, I call this meeting to order.

The Annual Report for the Financial Year 2021 and the notice convening this Annual General Meeting had been sent to you in advance through electronic means. I now, with the permission of the members, take this opportunity to deliver my address for the occasion.

Esteemed Shareholders, my colleagues on the board and management of the Bank, I welcome you all to this 27th Annual General Meeting of your Bank. I hope that all of you are keeping safe and well. We have just emerged out of a ferocious second wave of the pandemic in the country. My deepest condolences to those of you who have lost their near and dear ones. One of the lessons we have learnt is that we cannot lower our guard. As India ramps up vaccination,

we must remain committed to COVID appropriate behaviour and do our bit as individuals and organisations in our fight against this virus. During the year that went by, last year was unprecedented and a challenging one for entire humanity. Lives have been lost at an unprecedented scale, and economies all over the world have been impacted adversely. The Government has been trying to save lives and stabilise the economy through measures that cover a very broad spectrum.

Your Bank is a key institution for the economy. Over the past few months, since I took over as Chairman of your Bank, I've acquired insights into how your Bank has rallied around to take care of its customers, employees, and society at large. At the same time, smooth and seamless transition of handing over the mantle to the new MD and CEO, Mr. Sashi Jagdishan, has been now ensured. Here, I would like to congratulate the management for their foresight and note the heroic effort of our employees who kept the operations going in the most trying circumstances. Many of them lost their lives – they are our unspoken heroes. I join you all in paying my respects to them.

Even during these difficult circumstances, I'm happy to inform you that your Bank was able to deliver banking services to the customers, support individuals and small businesses affected by the pandemic. Our ability to do so stems from the robust systems, digital architecture and sound fundamentals that have been built and tested over the past two and a half decades. Apart from smooth running of the banking operations, some of the other noteworthy actions or initiatives include - extending moratoriums on repayments, facilitating loan restructuring, supporting the government's ECLGS Scheme largely for MSMEs. During the entire year, the management gave priority to the safety and welfare of the employees and ensured that systems and processes were put in place for employees to work from home, dedicated helpline and medical infrastructure ready to help the employees and their families affected by COVID-19, and ensured timely bonuses and increments - very essential to keep the fire in the home burning.

As a socially responsible organisation, your Bank stood steadfast next to those affected in the society. It gives me immense pride to state that your Bank always walks the talk when it comes to making a difference by leveraging CSR program. From contributing to the PM CARES fund to our commitment to enhance medical infrastructure like setting up oxygen plants, your Bank has always put its best foot forward for the society and the nation. The world would be a different place to live and work post pandemic. The phrase 'new normal' is a cliché, however, worth reiterating. Digital and contactless transactions have unobtrusively occupied our social and economic transactions; you see it in your daily lives. I have been working with the board and the management to understand the challenges and the opportunities, and the board has chartered out a growth path for your bank for the coming decade. I would touch upon them briefly subsequently in my address.

The Macro Economy: Before that, your Bank has been able to demonstrate despite difficult circumstances, robust growth with lowest NPA in the industry. Our Net Interest Income grew by 15.5% while Net Profit increased by 18.5%. Our Gross NPAs stood at 1.32% compared

with 1.26% a year earlier. Our balance sheet size increased by 14.1%. This healthy performance in an extremely challenging environment reflects our strong foundations on which we aspire we build a stronger future. Despite significant restrictions on mobility and physical proximity, we not only delivered essential banking services to our customers, but also grew our advances by 14%. We also continued to deliver on our sustainable development objectives backed by our employee volunteers and partners.

The economy, as all of you know, has been hit by multiple waves of the pandemic that has induced a general risk aversion that has translated into lower discretionary spending by people at large. This, coupled with mobility restrictions, has impacted the aggregate demand which is quite alike regular boom and bust cycles which we normally observe in regular times. However, we observe that the government has continued with economic reforms and picked up the thread in difficult areas such as labour, agriculture, defence, etc. That's very noteworthy and important for the economy growth. We also saw positive moves in improving corporate governance and ensuring tax stability. Support of poor during COVID and a push for infrastructure by implementation of National Infrastructure Pipeline and increased CAPEX augurs well for our sustainable growth. Bold expression of intent in disinvestment in public sector banks, insurance and oil companies, has opened up a broader canvas for a possible larger investment flow. As the number of active cases come down and vaccination gathers pace, we estimate India's economy to grow at a fair clip in near and medium term.

Coming to technology, your Bank has always been at the forefront in adoption of technology and continues to do so. Yes, your Bank has faced technology challenges and it has also invited actions from the regulator. Your Bank has taken it in the right spirit. The management has displayed utmost grace and humility and taken these setbacks as a learning to improve and upgrade the system for better service to the customers. I'm happy to inform you that the Bank is already on its way to a scale changing technology adoption and transformation agenda. Broadly, these are the four pillars – “Infrastructure Scalability, Disaster Recovery Resilience, Information Security Enhancements, and Monitoring Mechanisms”. In the coming time, the enterprise technology factory and digital factory that have been put in place will act as a core backbone to both - run and build - the Bank in the future. As we see the road ahead, your Bank is always future-ready. Your Bank has a robust process to continuously scan the environment for opportunities and challenges and has put in place plans to capitalise on the opportunities and meet the challenges. A future-ready bank means that our growth engines of corporate banking, MSME, agriculture and rural, government and institutional banking, private banking, retail assets and payments will be powered by robust technology and digital platforms. These growth engines will account for the bulk of our future investments and can be broadly classified as business verticals and delivery channels.

Even as the Bank continues its focus on corporate and government business to drive growth, the bank has created a new business segment of commercial i.e. MSME and Rural Banking to capture the next wave of growth. This will not only reinforce your Bank's top position in the MSME segment, but also strengthen efforts to serve customers in both India and Bharat, and

even consumer segments like tech savvy and millennials going forward. The delivery channels will be complimented with digital marketing, even as your Bank leverages the branch channel and virtual relationship channels. The Bank's focus in the time to come would be more granular and consist of the following:

- The customer centricity driven by the project range towards zero-paper-zero-touch, while we would be having our feet on the ground
- Enhanced compliance culture.
- Further entrenched and embedded risk management and compliance framework across operations and functions advocating nurture and care.

Your Bank would continue to lay emphasis on the core values of good corporate governance with a risk conscious culture. Towards this, the management is further strengthening the core enabling functions of internal audit, credit and underwriting risk management, and compliance to support its growth ambitions. The Bank will continue to leverage its balance sheet strength with an unwavering focus on asset quality to deliver sustained growth while making a meaningful difference to the lives of the people that the Bank touches. The Bank continues to collaborate with the government in varied ways to bring vast unbanked and under banked population into the economic mainstream. I take this opportunity to reaffirm your Bank's commitment towards nation building.

Your Bank continues to make a difference to the lives of people through its social initiative. I'm happy to state that your Bank has so far touched the lives of more than 8.5 crore Indians under its CSR initiative named 'Parivartan'. Your Bank also realises the importance of environment protection that is a very vital aspect within the ESG framework. The Bank has taken cognizance of ESG in its business plans and has put in place a broad strategy which will be fine-tuned as we move ahead.

Our customers make the HDFC Bank. We humbly apologise for the times when we have not been able to live up to a customer's expectation. As we move forward, I reiterate the Bank's primary goal of serving the customers with utmost humility, care and efficiency. Keeping their trust is the core value of your Bank. It is the Bank's commitment that in the coming time, our customers will see the changes as we work with renewed vigour to enhance customer ease and experience. In the time ahead, your Bank will continue to play an even more significant role for the betterment of the Indian economy and its people. I, on behalf of the board and management, would like to thank our customers, investors and all stakeholders for their continued faith and trust in us. Please stay safe in the coming days, and thank you.

Members may please note that as per Companies Act, 2013 and the Secretarial Standards, any qualifications, observations or comments on the financial transactions or matters mentioned in the Statutory Auditor's Report shall be read out in the general meeting. I'm pleased to announce that the auditors have given unqualified reports and accordingly, I take the Audit Reports as read. With the permission of the members, I shall also take the notice convening this meeting

as read. Since the meeting is being held by way of video conference and through e-voting, there cannot be any proposing-seconding of resolutions. In view of this, we take all the resolutions enumerated in the notice as proposed and seconded by the members. Before we invite the speaker-shareholders to speak, I request all speaker-shareholders to limit their speech up to maximum of two minutes and focus their queries on matters pertaining to the Annual Report and the notice of the AGM for the smooth and seamless proceedings of the meeting, and to ensure that maximum number of people are able to speak. After hearing out all the queries raised by the speaker-shareholders, the management will respond to the same collectively and comprehensively. In case members have any service related or customer complaints or grievance, they are requested to contact the dedicated customer care as mentioned on page 358 and 359 of the Annual Report. Similarly, in case of any queries on issues relating to shares of the bank, our registrar officials or secretarial department would be very happy to help the members. With this, now I request the Company Secretary to invite our speaker-shareholders to speak. Thank you.

Mr. Santosh Haldankar - Company Secretary, HDFC Bank:

Thank you, sir. May I request the moderator to announce the name of the speakers in sequence, please?

Moderator:

Shareholder H.S. Patel, you have been unmuted. You may ask your question.

Mrs. Hutokshi Sam Patel – Shareholder:

Hello?

Moderator:

Yes, you are audible. Please ask your question.

Mrs. Hutokshi Sam Patel – Shareholder:

Yeah thank you. Good afternoon to all of you, all the board members. Respected sir, Mr. Atanu Chakraborty, our new sir, Sashi Jagdishan – CEO & MD, I welcome you on the board and wish you good luck. Hello, Mr. Kaizad Bharucha, Madam Renu Karnad and other members on the board. I wish all of you a very good afternoon and all the best! I also thank our Mr. Santosh

Haldankar who has been a very good and a very cooperative and helpful Company Secretary. I also thank Karishhma, Nirav Shah, and Karishhma Kapadia for helping me out in solving many problems. Good secretarial teamwork! All the best to you all also. Over here, I definitely remember our Mr. Keki Mistry who had been a very strong figure and Mr. Aditya Puri also, sir. I congratulate the company for good and excellent results and also for contributing to the exchequer around 40,018.60 cr. to the exchequer. The various awards and accolades that the company has been awarded, especially the best bank and a valuable brand. I see AI Award, Excellence in Financial Reporting Gold Shield, Euro Money Award - India's Best Bank, and various other awards and accolades. Am I audible to you all?

Moderator:

Yes, you are. I request you to wrap up your question fast because the time limit is almost over.

Mrs. Hutokshi Sam Patel – Shareholder:

Please, this is once in a year. Kindly give us some time. It is not possible to... we are not machines, I'm a human being. Please, I request you... It is not possible to hurry up very fast. Anyway, well... first I would like to question on... Your Q1 results of this year has been very good and excellent. It is looking very good and excellent. You're making me hurry. Okay, what steps are the management taking to ensure that there is no more technical lag or failure moving ahead? What assurance can we get from the management for this? Your CSR activities have been excellent. RBI's ban on issuing new credit cards, withholding the digital too, and appointment of the third-party regulation... IT audit in our bank, what steps has the management taken? Are you able to hear me?

Moderator:

Yes, we can.

Mrs. Hutokshi Sam Patel – Shareholder:

IT audit in our bank, what steps has the management taken to ensure and what further assurance is the management giving for this technological lag in moving ahead? I congratulate the bank for the lowest NPAs at 1.32%, Advances has gone up by 16% and the balance sheet has increased by 14%. I congratulate all the management team, all the employees of this corporation who have put up good service even in these most crucial COVID times. They have stood and worked hard and all your branches were also open and have given good services. Excellent services by all the employees of your bank. I congratulate them. It's the most reliable

and the best bank in our country, I would go to the extent of saying that. And the NPAs are only 1.32%. It's really credible.

Moderator:

Thank you, ma'am. Last 20 seconds for you please.

Mrs. Hutokshi Sam Patel – Shareholder:

Yes, yes. Sir, formally there used to be many Parsis on the board. I find only Kaizad Bharucha and Jimmy Tata. I really wish that we keep Mr. Keki Mistry as one of the directors on the board. Let there be some few Parsis on the board. Thank you very much. Run and build bank of the future. I wish the bank and all the employees all the very best. Good luck to you all!

Moderator:

Ashalata, I have sent you the request. I request you to unmute yourself. I've shared the Unmute request, please unmute yourself. I think we are facing some technical issues, we are moving onto the next speaker.

Mrs. Ashalata Maheshwari – Shareholder:

This is Ashalata Maheshwari, can you hear me?

Moderator:

Yes, we can hear you. Please ask your question.

Mrs. Ashalata Maheshwari – Shareholder:

Can you hear me?

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Yes, we can hear you clearly.

Mrs. Ashalata Maheshwari – Shareholder:

Respected Chairman, MD, and all the directors, I greet you all. Chairman sir, you called out to my name, and I am a very old shareholder. I respect the MD and also greet you with a namaskar. I wished that I could meet you personally today and congratulate you, but because of the situation today I could not meet you personally but we cannot help ourselves. You have shown a lot of improvement in everything. The bank income has increased by 15%, and the net profits have increased by 18.5%, net NPA has remained lowest compared to other banks. You also got a lot of awards. You have also made the shareholders a happy lot, and the price of the shares have also increased.

Chairman sir, I would like to say here '*Dua hai meri khuda se ke yunhi aap par khushi barasti rahe. Issi tarah aapki har khwaish mein pankh lagte rahe*'. Chairman sir, the price of our shares is increasing, but there should not be such a situation while increasing the number of your branches, the old shareholders are forgotten. This is my request to you before opening up your branches, because nowadays this is the trend that new branches are being opened up and the old shareholders are being forgotten. Chairman sir, I saw the financial records and whatever you have done for women is praiseworthy. You have also done a lot for Swachh Bharat, you have constructed more than 23,000 toilets. I am proud today that I am a shareholder of this Bank. Chairman sir, my good wishes are always with you and would like to tell you this, this is for the MD – '*Sapna pura hua aapka, company ki shaan badhayiye, salaam aapko aur aapki team ko jinko deti hun dil se badhayi*'. Chairman sir, I would like to thank all the employees and executives.

Moderator:

Thank you, ma'am, your time is over, please wrap up.

Mrs. Ashalata Maheshwari – Shareholder:

Chairman sir, just one minute. I congratulate those who have put in their efforts for the excellent results, and I would like to praise Laxmi who helped me a lot during these difficult times. And I would like to conclude with good wishes, '*Manzil apni paakar jag mein dhoom machayi hai kaamyabi se milli aapko uski main sabko badhayi deti hoon*'. Chairman sir and MD sir, I wanted to get you flowers but you know what the country is going through, I could not get you flowers but I want to congratulate you from the bottom of my heart for the good work that you are doing, and I strongly support you. Thank you.

Moderator:

Thank you, ma'am.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you, Mrs. Maheshwari, thank you. Can we have the next speaker please? Yes, Mr. Tamal.

Moderator:

I have shared the unmute request, I request you to please unmute yourself.

Mr. Tamal Kumar Majumdar – Shareholder:

Is it okay, sir?

Moderator:

Yes, we can hear you.

Mr. Tamal Kumar Majumdar – Shareholder:

Actually, my broadband is not working. Respected Mr. Chakraborty, Mr. Jagdishan, Ms. Karnad and other directors of the bank, myself Tamal Kumar Majumder, a small shareholder from Calcutta. Sir, my first point I have strong objection as regards the time limit is concerned, it is 2 minutes, annual report is 364 pages and there are so many issues to it, this is not a good thing, there are so many issues. And our Group Chairman beloved Mr. Deepak Parekh always allows us to share our thoughts with the Bank, so 2 minutes, we are saying hello and 2 minutes are over. I think you will give us time to share our thoughts in this regard because Bank has subsidiaries also. Please share your thoughts with us as mentioned due to scan of 2 pages of annual report as 1, font size has become very small, so 364 pages become 182, and the font size was 52% and it was really a problem to read the annual report, so you created a problem in reading the annual report and now you are giving time to give us 2 minutes to complete it, it is horrible, it is not at all acceptable. For the sake of transparency, I hope you will take appropriate action next year.

Sir, I have gone through the annual report as well as the account of subsidiaries and want to ask questions and clarifications seek your indulgence in this regard. In this regard, our beloved

Group Chairman Parekh sir always us to share our thoughts on the company at the company meetings.

Sir, firstly I want clarification in respect of note no. 12 of page 5 of the audited accounts dated 17-4-2021 sent to the Stock Exchanges with a covering letter signed by Mr. Haldankar, and note 44 of page 267 of the annual report for FY21. In the disclosure to the Stock Exchanges, the Bank hasn't mentioned the provision amount on interest on interest, they have not mentioned the figure in terms of RBI circular dated 7-4-2021. But in page 267 of the annual report they mention the figure as 470 crores. Why had not the Bank disclosed the provision of amount to the Stock Exchanges, what is the reason they have not disclosed, please share your thoughts in this regard. Whether have we finalized *[break in audio connection]* amount of provision will cover our liability in this regard *[break in audio connection]*. The MD and CEO of the Bank, Mr. Jagdishan *[break in audio connection]*.

Moderator:

We move on to our next speaker, we face some technical issues. Mr. Gautam Tiwari, I request you to unmute yourself.

Mr. Gautam Tiwari – Shareholder:

Sir, can you listen me?

Moderator:

Yes, go ahead ask your question.

Mr. Gautam Tiwari – Shareholder:

Can you see me, sir?

Moderator:

Yes, we can.

Mr. Gautam Tiwari – Shareholder:

Honourable Chairman, good afternoon to you and also a very good afternoon to all my eminent and dignified board of directors, team HDFC Bank, fellow shareholders, my name is Gautam Tiwari and I am participating in this virtual meeting AGM from Mumbai. Sir, I would like to especially thank our MD & CEO, CFO, CAs and full secretarial team along with the finance team and the entire board of management for the excellent and wonderful results and classic results despite Covid pandemic across the world in fact for the full year of 2019 and even half year of 2020. So I really appreciate the working of this Bank and their work which has given excellent results year on year. Sir, I would also like to congratulate everyone involved in the preparation of the annual report and the notice which is really informative, well designed and colourful.

Sir, our secretarial team, Mr. Santosh Haldankar and Laxmiji, Laxmi is always Laxmi that is there is a shower of wealth on our Bank and Mr. Kapadia and Mr. Kashish Puri, and the entire technical team has helped us a lot to join this virtual meeting and also to scale up the Bank, which is a wonderful thing and they are providing a good investor service. I thank you for choosing such a wonderful team. I would like to welcome all our appointments and re-appointments of our new MD and CEO, Mr. Jagdishan, we welcome Mrs. Renu Karnad, Keki Mistry and all the re-appointments of everybody. And I really appreciate the work which has been done by Mr. Aditya Puri also and that is why the Bank is on this ground and these people's expertise, liaison and business sense and business acumen will certainly bring this Bank to greater heights. Sir, our company has worked hard in identifying the areas and projects for the CSR activities which are available to the public at large. Sir, I would like to ask a few queries, I would like to suggest one thing which is from all shareholders, sir, our Bank has done a good job, and we have got a good generous dividend. But because of RBI guidelines we did not get any dividend last year, people bought shares at a high price with the hopes of getting good dividends but due to RBI guidelines they did not get anything.

Moderator:

Last ten seconds, sir, request you to wrap up.

Mr. Gautam Tiwari – Shareholder:

This is very important; this is from all shareholders. Now our split share is for Re. 1, please do something and please compensate the shareholders who did not get the dividend either as mini rights bonus or mini bonus so that all the shareholders will be really grateful to you. Sir, all the services provided by the employees of Bank is good, including Mrs. Arora from Fort Branch. Sir, I would like to know what is the future growth expected in digital technology solutions with our Bank. Sir, what is our rate of attrition? Sir, how many physically handicapped and male/female ratio of employees in our Bank? Sir, the rest is very good, I wish you a bright future and long healthy wealthy prosperous life and a bright shining future and safe.

Moderator:

Mr. Santosh Saraf.

Mr. Santosh Kumar Saraf – Shareholder:

Namaskar, respected Chairman and distinguished members and my shareholder friends who are meeting today in this video conference, I am Santosh Saraf talking from Kolkata. I am hoping that all the directors, employees and your family members are safe during this Covid period. I would also like to offer my condolences to the families of the employees of this Bank who have lost their lives due to Covid and I pray to God to give their families the strength and courage. I also wish to thank the secretarial team of Santoshji who have worked very well, they sent the link and also made inquiries about whether I have got it or not. I also would like to thank the Bank for giving a dividend of Rs. 6.50. This is a very good dividend *[break in audio connection]*. I would also like to thank the Bank for opening *[break in audio connection]* new branches during this Covid period and *[break in audio connection]* this is also progressing well. I would want to know about RBI's ban on our credit card from the 3rd of December and what are the steps you have taken to remove this because we are getting affected by this. I have heard that ICICI has issued 11 lakh cards and now from 22nd July, Mastercards will also become non-operational. I request you to take quick action because this is causing a great loss to the business. We have two subsidiaries, one is HDFC Securities which is doing very well, last year they had a profit of 703 crores *[break in audio connection]* do the listing for this, this is the best time to get it listed and raise money in the market. We also have HDB Financial Services.

Moderator:

Last ten seconds for you, sir.

Mr. Santosh Kumar Saraf – Shareholder:

Sir, 20 seconds, I will finish this question. Sir, the HDB Financial Services which has a profit of 502 crores and you have 1319 branches in 959 cities *[break in audio connection]* do you have any plans for listing this also? What is the percentage of the employees who have been vaccinated, and if they have vaccinated themselves from private hospitals have you reimbursed those employees? One more request is that the annual report which you have sent via email it is in a PDF format of 2 pages, which is very difficult for a person like me to read it on the laptop, I had written a letter in this regard. In future when you send any annual report please send it in single.

Moderator:

I think we are facing some technical internet issue with sir. We move onto our next speaker. Sir, I have sent you unmute request, sir you are not audible, request you to unmute yourself.

Mr. Aloysius Mascarenhas – Shareholder:

Hello, can you hear me?

Moderator:

Yeah.

Mr. Aloysius Mascarenhas – Shareholder:

Respected Chairman sir, very distinguished members of the board and my fellow shareholders, good evening to you, my name is Aloysius Mascarenhas. At the outset I thank the management, our company secretary and his team for sending me a beautiful balance sheet which is informative, transparent, and adhering to all the parameters required for good corporate governance. Our results are excellent, as shown by facts and figures, diagrams, charts, the pie chart and the bar chart, especially the pie chart of rupee earned and rupee spent, rupee earned is much more better than last year and we have done very well in all the parameters. Our PBT/PAT has gone up, our dividend has gone up, Rs. 6.50 paise very good. In this hour of pandemic we are given such a good dividend, our results are good and we are going in the right direction. And going forward I feel that our Bank is really a prestigious bank, number one bank in the industry, everybody favours our bank.

Now, sir, I have questions, first and foremost being such a huge bank now is the time of acquisition, State Bank has acquired other banks, merged these bank. I would like to know whether we have any plans for any acquisitions. Secondly, any donation has been made to PM and CM Cares Fund and other NGOs. Thirdly, the employees in this pandemic, how many employees were affected, how many died, how many recovered, what compensation was paid to the families of the deceased. Whether all our employees are vaccinated because that is the need of the hour, we have to be vaccinated, because it is prevention for all of us. So I wish that we have done this to our staff. Then, our reserves are very high, we are a bonus candidate, can we declare a good bonus as per the RBI guidelines because I would like to know when our last bonus was declared and in what ratio. Sir, many questions will be asked by my fellow shareholders, my wife is also on the line, she has detailed questions. So I would like to stop here. Wishing you Chairman personally, and all the board members and all the employees in

the days and years to come. With this, sir, thank you for patient hearing, thank you, good luck and stay safe.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you.

Moderator:

We move on to the next shareholder.

Mrs. C. Mascarenhas – Shareholder:

Please call Mrs. Mascarenhas, the line is on.

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

Santosh, can you take Mrs. Mascarenhas's question please.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Yes, moderator, can we take Mrs. Mascarenhas please.

Mrs. C. Mascarenhas – Shareholder:

Hello, can you hear me, I am Mrs. Mascarenhas I am speaking from Mumbai. Greetings to one and all. I definitely thank the Company Secretary, Mr. Santosh, always happy as his name suggests, and his team for sending me e-AGM report. Of course, I would very much like the physical report because I find it very difficult as being a senior citizen with my eyes watering. Also I thank the team for registering me as a speaker and allowing me to speak. Now coming to the report, it is very beautiful, informative with lots of pictures, graphs, charts also pie chart. I am so happy because receipts of payments it is given, well documented. Now the working is good inspite of pandemic, the economy is down domestic as well as global, revenue is slight down, but dividend is 6.5 you have never missed except last year's dividend. And I am very happy you have always rewarded the shareholders. Our NIM is slightly down from 4.3 to 4.1 but our EPS is up from last year 48.01 to 56.58, and what is important is the market cap. Every year my bank, HDFC Bank beats its own record as we are embarking on projections of future

ready, right from the operations in 1991 and licence in 1995 we are the first in everything, first in FMS, first in so many, we received a maiden dividend in 1997 itself, and every year except last year. Now I come to page no. 93, I congratulate you all, the team for the awards and the recognition. Also I appreciate the CSR work done during the pandemic. Now my queries, we are a very responsible bank in the changing world, we are in retail, wholesale, treasury, etc, etc, in which vertical our bank, my bank has a cutting edge. My bank contributes 410018.60 lakhs to the exchequer. Sir, I would like you to throw some light regarding the Mastercard ban on the cards or we have some alternative for the new customers. Now as 25 years are over what is the future roadmap for the next 25 as our motto of 'building a bank for the future' and how will we achieve this. Number four to unlock shareholder value we have two subsidiaries, HDB Financial Services and HDFC Securities, and as market at present is very much heated any IPO goes like hot cakes, the demand is very good, can you think something on this. Rest I don't want because there are many people and I have seen Bapat is there, so he will do real analysis of the balance sheet. I support all the resolutions as my HDFC Bank shares are like fixed deposits for a long term, and I compare it like my PPF account, I treasure these shares. And I wish our whole team good luck, wealth and good health. With this thank you once again, and thank you for allowing me to speak immediately because my turn always gets into the problem, thanks once again. Good luck.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you, Mrs. Mascarenhas. Can we have Praful Chavda please?

Moderator:

Mr. Praful Chavda, I have shared the unmute request, request you to unmute yourself.

Mr. Praful Chavda – Shareholder:

Hello, am I audible, sir? I am Praful Chavda from Hyderabad, sir, am I audible?

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Moderator, can you mute another speaker?

Mr. Praful Chavda – Shareholder:

Am I audible, sir? I agree with the Chairman that we should be given 2 minutes, the first speakers took 6 minutes, 5 minutes, 4 minutes, 4 minutes, 5 minutes. Everyone is given time and then there is a problem. Sir, why don't you cut off after 2 minutes? Ashalata Maheshwari only recites shayari and are we sitting here to listen to shayaris, sir? Such type of shareholders should be refused frankly. Sir, I would like to talk about the company, there are a few suggestions, first in the ATM at Dattapur the number '8' prints as '0', when we get the passbook printed 8 lakhs is shown as 0, if the amount credited is 8,00010, then it is printed as 10 rupees, there is a mistake in the printer, please resolve this. Sir, I went to get an account opened, they come to the residence to see if we are alive or dead, what is the reason for that, we have come to you to deposit our money and not to take a loan or a take a loan through debit card/credit card. HDFC's name has been removed from all the schemes where a HDFC card holder would get 10 to 15% discount, but today HDFC card does not exist anywhere. Why, sir? There is no facility for the senior citizens, we go to the bank we have to stand in the queue even if we are old and are suffering from BP and diabetes, if we die there will be no problem, they will call an ambulance and get rid of us. But there are no facilities for senior citizens which should be made available. What are the provisions for retired army personnel in the CSR activities, are you giving jobs for the retired army personnel? How many wives and children of martyred soldiers have you employed? What problem do you have with small customers, and that you want only big customers, you want customers who take loans from you.

The problem I have is that in front of your ATMs, only two wheelers can halt, four wheelers cannot halt as there is no space, so there is no need to have ATMs. There are many of your branches where we don't have the space to park our vehicles, if we halt at the ATMs the police click a photo of our vehicle and in the evening we get a challan and we have to pay a fine. Why is this happening? Please find out whose area is that on which your ATM stands, you should find out, maybe some relative of that person who owns that space is working in your bank, and in this way you can resolve this problem. The problem is there whether it is a big branch or a small branch, you should ensure that there are no problems like that. I cannot activate my bhim card, I cannot put money in the IPO. Today HDFC Bank is moving backwards and this should not happen. Please solve the problem being faced at Dattapur branch at Hyderabad, please call me. I do not want to waste your time. I want to tell you that please give all the shareholders an equal time to speak. Thank you, sir.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you, Prafulji.

Moderator:

Tamal Kumar Majumder, I have sent the unmute request, sir, I request you to unmute yourself.

Mr. Tamal Kumar Majumder – Shareholder:

Is it okay, sir?

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Yes, we can hear you.

Mr. Tamal Kumar Majumder – Shareholder:

Respected Chairman, Mr. Chakraborty, Mr. Jagdishan, Ms. Karnad and other directors of the Bank, myself Tamal Kumar Majumdar an equity shareholder of the bank. Thank you, Mr. Chairman, for sharing your thoughts with us. And I have gone through the annual report of 364 pages and want to ask questions, clarifications and seek your indulgence in this regard. Because our beloved Group Chairman Mr. Deepak Parekh always allows us to share our thoughts with the Bank. And I am assuring you that my questions will be on accounts, accounts and other matters only, nothing more.

Sir, firstly I want clarification in respect of note no. 12 of page 5 of the audited accounts dated 17-4-2021 sent to the Stock Exchanges with a covering letter was signed by Mr. Haldankar, and note no. 44 of page 267 of the annual report for FY21. In the disclosure to the Stock Exchanges, the bank hasn't mentioned the amount of provision on interest on interest, in terms of RBI circular dated 7-4-2021. But in page 267 of the annual report the bank mentioned the figure as 470 crores. Why had not the Bank disclosed the amount of provision to the Stock Exchanges, please share your thoughts in this regard. Whether have we finalized the methodology of calculation in this regard till date, whether the amount of provision will cover our liability in this respect. I felt bad reading the long message of the MD and CEO of the Bank, Mr. Jagdishan, page 20 of the annual report, for he avoided many things, it termed Mr. Puri as iconic ex-Managing Director but failed to mention that the repeated technical outages was more than 2 years old and an incident during his time prompted RBI to ban the Bank from issuing new credit cards from 2-12-2020, in fact the bank also not mentioned.

Sir, whistle blower in his letter regarding the GPS sale mentioned that the activity was going on for 4 years, that is from 2015 to 2019 but nothing is mentioned about that. Sir, amount of fraud increased by 7 times in relation to last year hope Mr. Jagdishan will clarify his position in this respect. Contribution of our overseas branch was a mere 1170 crores that is 0.46% on the total income during FY21, what is your thinking in respect of overseas operation in our bank during the next 5 years. Sir, segment results before considering our unallocable, page 256, showed profit from retail banking decreased to 10575 crores during FY21 in comparison to FY20 figure of 12942 crores, despite increase in revenue. Out of total figure for FY21 Q4 of

financial year contributed a massive 4192 crores that is more than 40% of the yearly profit relating to your retail banking. Last quarter contributed 30%, more than 30%. And as regards other banks, contribution from other banks are concerned its Q4 contribution was a mere 125 crores against total yearly figure of 6207 crores, would you please share your thoughts in this respect. The statutory auditor mentioned Covid 19 scenario in their report under emphasis of matter taking into account the current scenario, what is your profit expectation for the Q1 of FY22 and remaining part of the year. RBI banned our bank from issuing cards as well as putting a hold on new launch under Digital 2 initiative with effect from 2-12-2020 and no change of heart of RBI in this regard to this date. What was the impact on our financials profitability during the Q4 of 2021 and Q1 of FY22 and what is the present status in this respect as well as third party audit of the IT system, what is the present status of third party audit of the IT system? Media reports tells that the Mastercard ban will hit HDFC Bank also, whose Mastercard share is 45% of the total card issued. It is also reported that credit card customers decreased by 4.67 lakhs between December '19 to April '21. Please share your thoughts in respect of its impact on our financials and how to cope with the problems considering 3.67 crores debit cards, 1.49 crores credit cards and 21.34 lakh acceptance points as of 31st March 2021 as disclosed by the Bank in page 131.

During FY21, number of frauds decreased in relation to previous year, last year it was more than 7000, during the current year it was 5000 something. But amount involved increased by more than 7 times that is from 222 crores to 1321 crores during FY21, it is on page 237 of the annual report. What is the reason for such abnormal increase and what steps the Bank has taken to stem the rot? What about software upgradation for early detection of frauds whether the bank has taken steps against official who is responsible for this mess. Our earning from life, general and health insurance was 3573 crores and premium mobilization from life and non-life was 5888 crores and 2230 crores respectively during FY21, out of it what was the contribution of our group companies during FY21.

During FY21 despite Covid scenario our bank opened 354 branches and 186 ATMs, what is our target for the current year. Sir, against an equity base of 551.28 crores where the pre-reserve balance of 151025 crores as on 31st March 2021, and it is increasing substantially every year, whether the management is thinking of rewarding its shareholders in the coming years after current pandemic is over, would you share your thoughts in this regard. As regards your CASA deposit and other deposits are concerned, increase in savings deposit was much higher than current deposit during the FY21. CASA in respect of savings deposit increase was more than 30% and in respect of current deposit, increase was 20%. Would you share this thinking in respect of CASA deposits in the coming years? And what is the reason for such write off of 917.68 crores against provision made towards depreciation of investment during FY21 against FY20 figure of 5.81 crores. What is the present status of Aadhar CT, an authentication of customer account under savings, current, etc., and what is the rationale of purchasing of 3.55 crores equity shares from HDFC Ergo General Insurance Company Limited at a cost of 1906 crores. And lastly I want to know your view in respect of my mail dated 10-5-2021 titled 'Penal Action by Reserve Bank of India in the Matter of Marketing and Sale of Third Party Non-

financial products through Auto Loans’ as it remains unanswered till date. Chairman, I hope you will because it has remained unanswered I hope you will throw some light on that also. Thank you all for patient hearing.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Can we have the next speaker please? Mr. Vinayak Bapat, yes, Mr. Bapat.

Mr. Vinayak Bapat – Shareholder:

Can you hear me please? Am I audible?

Moderator:

Yes, we can hear you.

Mr. Vinayak Bapat - Shareholder:

Good evening. Respected chairman, members of the board, Sashi Jagdishan, new MD, first year. Very happy to see that in spite of the challenging circumstances Sashi Jagdishan and his team have settled down well and have given us good performance especially given the challenging conditions. Sir, as Chairman you are welcome to this august organization, this is a great institution and I am sure you will enjoy your tenure on the board. Unfortunately, the way I see that AGM notice I am constrained to say that your tenure might be limited to the end of this meeting, there is no resolution on the AGM to reappoint you as a director in the first place especially because as additional director you hold the seat only till the conclusion of this AGM. Similarly, Mrs. Maheshwari also should have been up for re-election at this AGM, unfortunately I don't see these notices or the resolutions in 1 to 12. So may I request Sashi Jagdishan, the company secretary and the Chairman to look at the possibility of including this resolution with the permission of all the members at the AGM, which will be readily forthcoming. Having addressed this concern of mine, I will go to resolution no. 3 which pertains to the dividend, sir, we are seeking approval at this AGM for dividend paid in FY19-20 means pertaining to the financial year '19-20. Now this resolution for approving the special dividend as tabled in item no. 3 should have been on the agenda for last year's AGM because unless the dividend is approved by the shareholders it does not become legal. So this special resolution is one year late, sorry this request for approving the special dividend is one year late, and please throw some light on the legal aspects of that special dividend approval. And secondly, on item no. 3, I do not see members' approval being requested for current year's dividend, so the 6.5 per share dividend being proposed by the board on page no. 126 does not

appear in the notice. So please look at it, if needed you might also want to include that as business with the request of the members. Having said that I have a little concern on this dividend for current year, attention is invited to page 126, where the board has recommended 6.5 dividend after receiving RBI approval as latest 18th June which is very welcome because it shows that the board was concerned for the shareholders and they took up the matter with RBI and found a wire media and solution. However, sir, the board directors' report and accounts as audited are not in agreement, I will refer you to item number on page 213 especially Schedule 18, note no. 1, now Schedule 18 note no. 1 is the audited accounts as approved by the directors at the board meeting held on 17th April 2021, and that para very clearly says that the board is not recommending any dividend. So the audited accounts as presented in this report on page 213 and Schedule 18 note 1, is not in agreement with the directors' report which is 126 which recommends the dividend. So you may please look into this and try and break this impasse otherwise one of the two documents will become invalid. So please look at this very seriously and maybe a small addendum or a small correction might be needed. I understand why this problem has come up and I will explain it as under if the Chairman permits me to.

Sir, 17th April we had the board meeting to approve the accounts, and at that point in time you had not received the RBI approval. Normally the board of directors' report is also dated on the same date as the accounts are approved. But unfortunately your board of directors' report shows 18th of June by which time you had received the RBI approval. So it is appropriate if you pass suitable resolutions to take care of this infirmity. Sir, having said that I would also suggest that we may have an independent director in the background of a practising chartered accountant or a reputed company lawyer because such things can attract his attention very quickly. In fact on our parent HDFC board we have very eminent board of directors from this fraternity who can take care of these aspects. That takes care of the dividend and also I have mentioned about the appointment of additional directors.

Sir, I will now come to the governance aspect, on page 104 we say with great pride that the HDFC Bank has got great culture of transparency and accountability. Unfortunately, I have to bring to your attention that we do not have walked the talk, means we like to think of ourselves as being very transparent and forthcoming and doing, but when it comes to doing I don't think we do what we expect to do. An example, CSR expenditure, this year we have done outstandingly well we have met our obligations, but over the years FY15 and '16 there is a shortfall of 130 and 116 crores for those years and till date we haven't made good that shortfall inspite of having adequate profits, adequate cash as well as good intentions. I would like to draw Mrs. Renu Karnad's attention to what HDFC Limited has done. If you refer to their annual report page 167, they have made good FY15-16 shortages in the current year in HDFC Limited. They had a 20 crore shortage, we are running a 113 crore shortage, but we have the resources and we have the intent so we should go ahead and do it and I have been bringing this point repeatedly over the last 4 years to every chairman and to every MD's attention, I cannot understand why we are pushing this under the carpet and neither has anyone replied to me in writing as to why they are not spending this sort of money. So please look into this and it would

be most appropriate in the second or third wave if we are able to spend this money for the good of all our fellow countrymen. Sir, on the performance per se I think Sashi Jagdishan and his team need congratulations, in spite of total income, total interest income increasing very marginally to 5.8% only year on year, the bottom line was at an all-time high. We did 31,115 crores and it was all time high, congratulations to him and his team. Similarly, loans have grown at 14% which augurs well for FY22 and onwards that we will have consistently better revenue growth. But I have two points which the management team should answer, we had a huge increase of roughly 500 crores in our insurance cost, 493 crores to be precise in insurance, please highlight why this sudden increase has come about year on year. Is there any past dues or are we correcting something? Similarly, in repairs and maintenance we spent 350 crores more on repairs. So I am sure these two aspects will throw some light why our costs have increased. Our revenues as I said have only increased by 5.8%. If they can throw some light that why when loans have gone up 14% our interest gross has only gone up by 5.8%, this is less than even the CPI or maybe close to the CPI. So inflation wise we are not ahead at all.

A few other shareholders have mentioned to unlocking shareholder value in HDFC Securities and HDB Financial Services, I think the time has come, the stock markets are booming, the risk reward for each of these businesses is different. We have got Bajaj Finance comparable to our own financial services, and we have got ICICI Securities listed compared to our HDFC Securities. So I think management should look at this and reward the shareholders by replicating the shareholding structure. Now this government of India is successfully doing in NMDC, NMDC Steel Plant is being divested but government is taking care to ensure that the pattern of shareholding will not undergo a change, so thus the shareholder will be rewarded for their patience as well as their continued interest. I have another query for the operating people, there is a small micro MSME company which has been repeatedly last 5 years asking the bank for a loan, this is a blue chip, this company is as good a blue chip as HDFC Bank. And I have not received a single response as to why this company cannot qualify for a small loan of 10 to 15 lakhs of working capital and 25 lakhs of-

Moderator:

Sir, I request you to conclude your speech.

Mr. Vinayak Bapat – Shareholder:

Yes, you have to give me a little more time, a minute or two. Sir, I would therefore ask Sashi Jagdishan and his team to look into this and address this to the satisfaction of everyone. Last but not the least our employees, our employees are the well being and form the better of any bank especially in a service business. In fact, I am pained and at a loss to understand why no mention of the casualties of our employees who have laid down their lives in the call of duty has been made. We do not know how many people have lost their valuable lives. And I would

urge the management to put a small plaque in the names and remembrance of each one of our employees if 10 people have lost their lives in Bombay we should have their names put there. If 5 people in Poona 20 people elsewhere, this way it will be a fitting tribute to our employees. Secondly, what is the status of vaccination, what percentage of our 1.2 lakh employees are already vaccinated because the earlier we vaccinate everyone the earlier we can open our doors for business. Sir, apart from this I am little worried that the RMC, Risk Management Committee did not highlight the Covid virus impacting the operating environment and the RBI technical risk. We are still at a loss to know how just power shortage means lack of adequate power has resulted in RBI putting a ban on us for 8 to 9 months, this is beyond us, I would expect the management to come clean abreast and tell us about all this. Thank you, sir, for patient hearting, and I look forward to satisfactory meeting. Thank you, Santosh, and to you team.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you, Mr. Bapat.

Moderator:

Mr. Yusuf Rangwala, I have sent the unmute request, sir, I request you to unmute yourself.

Mr. Yusuf Rangwala - Shareholder:

Hello, good evening, sir, can you hear my voice?

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Yes, we can please go ahead.

Mr. Yusuf Rangwala – Shareholder:

Good evening, *[break in audio connection]* I also thank Mr. *[break in audio connection]* who is a very young and dynamic and who has joined, our bank is a leader bank. And our bank is so good, and all over India there are branches, US, Canada, foreign, Singapore, Malaysia are there branches there, and in China, Japan and Nepal, you mentioned that you have constructed toilets in CSR activities, I am also very happy. This is the 27th AGM, as you have mentioned, you have printed e-balance sheet which is 354 pages. Sir, my humble request if you can send me balance sheet so I would like to *[break in audio connection]* very good and will be excellent

balance sheet. Nothing more to add *[break in audio connection]* previous 25th year you had kept a get together at Mahalaxmi *[break in audio connection]* that's my humble request. And I thank Mr. Santosh's team for preparing this excellent Annual Report and I also thank Datamatics team for their excellent services and nothing more to add. I end my speech *[break in audio connection]* Siddiqui who is young and dynamic and hard work of Santosh, he will grow up with the help of Santosh sir. Thank you very much and god help you all in your dreams and I will *[break in audio connection]*. And, sir, when was your last reward, I would like to know last bonus given, and whether this is 27th year and whether for the next 27 years will we get a bonus from your side, nothing more to add. I wish luck *[break in audio connection]* and I wish the company. Also I welcome new Chairman, I forget to welcome you, good wishes to the Chairman, and as you mentioned at the opening speech, there was one video, I liked that video, I have a video for some video if I would like that video, that was a very excellent video. Thank you very much, may God bless you, thank you very much.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank:

Thank you, Yusufji.

Moderator:

We move on to speaker 11, Mr. Sharad Kumar Shah, I have sent the unmute request, sir, I request you to unmute yourself.

Mr. Sharadkumar Shah – Shareholder:

Can you hear me, sir, now?

Moderator:

Yes, please go ahead.

Mr. Sharad Kumar Shah – Shareholder:

I congratulate and welcome our new Chairman, he is a non-regulator chairman from the bank, so it may not have any problem hereafter. And another thing what people said the company, HDFC has given '19-20 dividend of Rs. 2.50 and today that '20-21 you have given 6.5, and whether issue approval or non-approval is really not concerned with the small shareholders. So I am very happy, sir. And what I am saying here is another thing whether it is mentioned in the

balance sheet, see HDFC balance sheet page no. 89 says HDFC Bank has not given dividend, but once I get dividend I am not really concerned with what the balance sheet says. One thing I should appreciate this bank, that before pandemic or before this bad situation, they have done the split of the share. And after split of the share, 2021 the share price went up from Rs. 810 to Rs. 1595. So, it is a good achievement. And another thing with all these problem, this year earnings per share is the highest in 10 years. And sir, another thing what I noticed in page no. 332, corporate governance, and on the top is shareholder and the regulator. But shareholder doesn't decide any dividend. So, this Rs. 6.50 dividend you are saying that as per the RBI regulations. So, I wanted to know from Rs. 6.50 whether by how many paise it can be increased. Whether instead of Rs. 6.50 it can be 6.51, 52, 53, 54, 55 that I would like to know so that to what extent we have got a restriction that I will come to know. Because finally nor company decide the dividend nor shareholder decides the dividend. If somebody other is deciding to what extent they are allowed? Because I had written to SBI, they had given the dividend of Rs. 4 and asked them to give Rs. 4.15, then their reply is that Rs. 4.00 was maximum allowed by the regulator. So, in our case, what was the maximum allowed with the regulator I would like to know. And, another thing sir, our PAT Rs. 31, 116. If you compare all industries in India, we are no. 3 sir. And if we compare with the bank, that SBI is Rs. 20, 410 ours is Rs. 31,116. And now when we talk about the PAT, my number of employees are 1,20,000, SBI's employees are 2,45,000. So, with small amount of employees my profit is very huge and at the same time, we are not ignoring our employees. Out of 31,116 we are given 10,000 crores to our employees.

Sir, now I come to the bank precursor. HDFC bank said that the provisioning is 12.1 up. I have not understood it is the percentage of what, that you have not mentioned anywhere. And when I looked into the provisioning of other banks, the provisioning figures, 2.02.39 figures – PCR are not available in our balance sheet. So maximum PCR in IIFL is 286%. So this gives me a clear idea and for this, what I have done, I have received a reply from SBI yesterday and that I forward it to you and how they replied, each and everything you look into it and please do the needful, that will give us a clear picture of the bank. Now sir, basically what I am seeing, you or somebody said that you can encash your whatever assets are there in the HDFC security and other thing. Here I wanted to tell you sir that those it should be, when you are coming out with the issue, it should be proportionate to the holding of shares, not only preferential share sir. So that I would like to know. I don't have any much points, only I am looking what is left out.

Another thing sir, when I refer page no. 279 that is profit and loss account everywhere you have put figures in lakhs, crores, millions whatever it is, and the figures here are in zero-zero so becomes very difficult to understand, sir. And another thing I wanted to tell you sir, I have gone through your VR report, VR Head reports and what I found the mail address of VR report what you have given doesn't exist. So, please look into it and do need full. Another thing, we talk about your subsidiaries, associates everything. But if the issue of merger of HDFC and HDFC Bank comes, I will personally feel that HDFC before merging should be split into the share, and then only we can think of the split sir. And I think I have spoken all the points and thank you very much for giving me opportunity and already I have made all the points. Even

SBI's details also mailed yesterday so, please look into it and do needful. Thank you. And I am very much thankful to you for Rs. 6.50 dividend and whether you took approval, who has given this or why you are late, who has inspired you is not very important as far as shareholder is concerned. Thank you very much.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank

Thank you, sir.

Moderator

Speaker no. 12. Request you to unmute yourself sir.

Mr. Adil Polad Irani – Shareholder

Thank you for allowing me to speak. Normally I don't question what takes place before 31st of March, that is that same. This is my company, this is my bank. So I have invested in the bank. I just want to say thank you for the dividend and the staff of branches. Basically they have been very helpful during the contamination **2.07.09** somebody's mother over there I mean, **2.07.13** human service. Now recently that you all have put up some say partition between the staff sitting behind, that is a very good thing. They were actually **2.07.30-2.07.39 not clear**. I think you should provide them a common uniform mask, basically. In a light **2.07.46-2.07.53 not clear**. So what I am saying is the staff should be provided with a common mask, basically with say, HDFC Bank mentioned on it. And they should have some uniform basically a coat which they can leave it back at the bank. I should specifically mention one lady over there **Das** and another cashier Preetam, basically. I mean, they have been very, how do I put it, they are going beyond the call of duty to help senior account holders like us. I mean, they fill up the form, they do everything with a smile, service with a smile and they know their job basically. I mean, these 2 persons I should specifically point out and, of course our frontline the security over there. I call him Bahadur. So, I have covered the mask, the uniform, and they should be in the frontline workers. And, of course we being in Bombay, Puri is very important for us. I miss my Puri, I miss my BhelPuri, I miss my Chole Puri, I miss my PaniPuri, and of course my original Puri, Aditya Puri from my Bank. I hope I have not missed out anything. Thank you very much.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank

Thank you, sir.

Moderator

Request you to unmute yourself please.

Mr. P. Shyam Sundari – Shareholder

Sir, first of all, I congratulate the management on the eve of 27th Annual General Body Meeting of HDFC Bank. Sir, I trust as is well with you and your family. In this challenging situation, our company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability, dividend this year and becoming one of the strongest bank in our respective segment. Sir, we are long-term shareholders of our companies and, we would like to know what is the real impact of COVID-19 and how our business has been affected? And the Corona Virus and the subsequent lockdowns has left virtually no industry until and after the COVID, any employees we have sacked, had a salary cut in percentage of any? What are the cost cut initiative done by the management? Any salary cut was being taken by the management? And what is the view of the management going forward? Sustainability of profit and growth will remain challenging in the coming quarters. And sir, what are the management efforts to reduce other expenses, **professional** charges, and audit fee? My son and his team running a legal firm in the name of Turnwells Associate in Chennai, so I would request you all to kindly enrol his firm into the empanelment of the Bank with the local Chennai division, so that he can get in touch with them and he will be glad to extend his services to HDFC Bank, sir. Please look into sir and try considering and also I would request the bank to kindly share the details of the top 50 defaulters with HDFC Bank and, what are the steps being taken by HDFC Bank to recover the same. And my mother holds physical shares which are being transferred to IEPF and we have been trying to contact the Datamatics, but it is taking a very long time and hardly it is a question of only 5 shares. For 5 shares I need to do so much of correspondence. So, I would request company to please kindly intervene in the matter and try to resolve the case as soon as possible. Because it is *like char aane ki murgi and aath anna ka masala* for us. So please ensure sir that this five- ten shares we are not made to be run from pillar to post.

One more question sir. My client Mr, AjitMullar having a lot of cheque which are being bounced in Ambattur Branch and we have also filed a cheque bounce case against the concerned person issued the cheque. But in the reason memo being provided by the HDFC Bank, it is mentioned that 'kindly contact drawer-drawee bank and present again'. In fact, we have verified and in certain cases there is no fund. So, it should be mentioned as insufficient funds and in certain cases it is like that that the person has issued cheque and he has closed his account. So in that cases, HDFC Bank in its memo, they should print that the account is being closed or insufficient funds. But in fact, they are mentioning 'kindly contact drawer-drawee bank, and present again'. Because in 138 Negotiable Instrument Act, when we issue the concern authority, the bank might be available the bank might be aware about this as you have also filed and won the cases in Mumbai and even for Chennai division you are filing cases

in Mumbai and you are making people travel all the way. So the bank should be aware of it. So if you provide a reason like 'kindly contact drawer-drawee bank and present again' this is not fulfilling the criteria of 138 Negotiable Instrument Act. So I would request the bank, HDFC Bank, Ambattur branch, Chennai to kindly look into and verify that way they provide such a reason and they should be in a position and when we also clarify these doubts they are not in a position to clarify our grievances. I would request the bank to kindly intervene and try to resolve the case as soon as possible. And in moratorium, during the pandemic time, moratorium was being provided according to the RBI guidelines. But certain branches have been denying. So kindly explain what is the specific period that RBI has given you guidelines to provide moratorium, in the first wave as well as in the second wave.

So in certain cases, when people are there, approaching the bank that they are ready for settlement, I would request the bank to go for amicable settlement because there is no point in this pandemic time to drag the case end with nothing. So, it is better sir, we kindly for amicable settlement and I would request the Company Secretary to get in touch with me. I can explain many other issues which I don't want to repeat in the Annual General Body Meeting. Nothing much to ask. I wish the Bank and the Board of Directors a great success and prosperity in the coming future. Thank you for giving the opportunity, sir.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank

Thank you, sir.

Moderator

Next speaker, no. 14. Shared the unmute request. Request you to unmute yourself.

Mr. Aspi Bamanshaw Bhesania – Shareholder

Chairman sir, at the outset I welcome you as the non-executive Chairman. I also welcome our MD and I also wanted to welcome Dr. Sunita Maheshwari but she is absent today. Sir, dividend has increased from Rs. 2.5 to Rs. 6.5. Sir, you should follow the Kotak model. Kotak price is Rs. 200 higher than yours but they give less dividend, Re. 1 dividend. Sir, they plough back their profits and issue bonus shares every now and then. I would like you to follow the Kotak Bank rather than a Yes Bank. You know what happened to Yes Bank. Sir, cost to income ratio is 36.3% which is very good. But in the Director's report, previous year figure was not mentioned so, I don't know how much it's gone down. Sir, wholesale banking has shown a healthy profit of Rs. 17,437 crores as against Rs. 14,121 crores which is very good. I would like to know why wholesale banking is doing well in our bank whereas other people are complaining about wholesale banking.

Sir, when our subsidiaries get listed, I would like to suggest that shares should be given to existing shareholders and the shareholding image should be the same as HDFC Bank and listing should be done without an IPO. I would not like you to make the same mistake like what happened in HDFC AMC, which was a big mess. The shares were reserved for the distributors at a discount and those discounted shares were given to KKR which offloaded the shares after one year and made a very good profit. Sir, you should follow Reliance which demerged and got listed without an IPO. Sir, where does the growth come from in future? Sir, I happened to use HDFC credit card for EMI, and I feel ICICI cards are much more transparent. After using ICICI Card I got email giving the exact amount that will be debited whereas HDFC didn't send any such email. Further HDFC debits Rs. 200 plus GST as processing charges whereas ICICI don't charge any such charge. I would like you to exclude the processing charges also. Sir, thank you and all the best.

Moderator

I have shared the unmute request. Request you to unmute yourself.

Mrs. Shobana S Mehta – Shareholder

Respected Chairman and MD, and Board of Directors [*break in audio connection*] you have recommended a dividend of Rs. 6.5. So I would like to thank you for that [*break in audio connection*] which gives us good results every year. I would like to put forward two queries. Sir, how many defaulters are there for the amount ranging from Rs. 50-100 crores, and if you can please do tell us their names? What are the steps taken by the bank for recovery? Sir during this COVID period, the AGM is being conducted through VC so balance sheet printing, posting and hall booking etc. such expenses are not there. So what I would like to know how much amount the company has saved on that account? I don't want to repeat the queries that have already been asked. I support all the resolutions put forth. I wish the company all the best and also I would like to add that next month along with Rakshabandan so many other festivals are coming up. So, would like to wish you, all the Board members and all the employees on behalf of Rakshabandan and all the other coming festivals and also add that day-by-day let all the results of your efforts be doubled, let all the troubles be away from your life. Hope that every day of your life and the ones coming to the bank be a super hit. With this I wish you all the best for the future success. Thank you very much sir. All the best.

Moderator

Speaker no. 16. Ms. Nirupama Sharadkumar Shah. Request you to unmute yourself.

Ms. Nirupama Sharadkumar Shah – Shareholder

Sir, I have got only two points left out and that I will say. I don't require any service from bank, from any bank, not only HDFC. Last 15 months without bank service I am surviving, without credit card, debit card I am surviving. So I don't have any complaint against any bank in this respect. I only have got one small complaint with you is that, you are from the HDFC Group and HDFC gives me auto response and then he gives me reply. So, you should also follow and try to reply so I get the confidence. Yesterday, I mailed you, the reply from SBI bank so, SBI may not perform like you, but as far as shareholder is concerned, they value shareholders, they reply to shareholders, please take care of this. And I am thankful to you for all the cooperation and the dividend. Thank you very much sir.

Moderator

Thank you very much, we move on to the next speaker.

Mr. Rajesh Nangare – Shareholder

I have six questions. Has company implemented bonus benefits, claw back for the terminated employees, especially in case of vehicle loan cases? If not, does it plan to? This is second question. Two years back on 22nd June, 2019 in a meeting at Mahalaxmi office, management assured tracking of shareholders' queries. It is yet to be implemented even after two years. My queries sent on March 26th 2021 is yet to be even acknowledged. When will this system be implemented? Third point, online transaction failure rate is more than 40%, which is very high. Why? There are no answers from the tech team even after giving a screen recording in the Phoenix City, Mumbai branch. I would like to know why such a high failure rate? Now fourth point, now this leads to frequent net banking and app outages. Has the company fixed the responsibility for these outages? It seems that the technical team is not capable. And hence sorry to say that it is a case of bullet train technology. We have that, but driven by bullock cart drivers. Good technology, but bad implementation. Fifth point; when will bank take the privacy seriously? There are frequent telephone calls from branches calling for loans. So, you should stop this. Even after giving all the recording, it has not stopped even from the branches. And the last point is, I am against bank approaching Supreme Court for judgment against inspection reports. They are very helpful to us. If it is so easy to implement strategy from copying the inspection report, then everyone would do it. So it is not so easy. Our fear is unfounded, so we should not really stress for it. Thank you very much.

Moderator

Thank you very much. We move onto Speaker no. 20.

Mr. Hariram Chaudhary – Shareholder

So Mr. Chairman my name is Hariram Chaudhary and I am speaking from Santa Cruz. I hold an account in Santa Cruz branch right from the day one when the bank was opened and I have fixed deposit also. Now considering that Mr. Chairman, please share with me the physical copy. You might have printed some copies, one copy please send to me and many company including LIC are sending to me. And I appreciate the friendly attitude of our Company Secretary Mr. Santosh. Now I would like to speak only about the CSR. Whether we have provided them for COVID affected people? Did we provide PPE kits, ICU Beds, ventilators and oxygen concentrators? What have done? And did we *[break in audio connection]* How much amount we have spent for total CSR and for COVID affected people also? Give me separate accounts. And kindly let me know who is the Chairman of the CSR committee and who are the committee members of the CSR committee? Now Mr. Chairman I would suggest something that on 4th November is Diwali. So after Diwali on 2nd or 3rd week, a Diwali get together get organized with the speakers. And by that time everything will be normal. Second suggestion is, the shareholders who are present today, they may be given free vaccination. I have taken 2 doses but I am concerned about the health of my other shareholders attending today. And those who have taken vaccination they maybe provided with face mask. Not ordinary mask, the face mask, this is my suggestion. Now kindly let me know what steps we are taking for reducing the NPA and what are the preventive steps that we are taking so that the NPAs don't increase? So kindly let me know about that. And what are the technology advancement which we are adopting? I support all the resolution. I believe in discipline and therefore I conclude by conveying my best wishes for overall progress and prosperity of the company. My name is Hariram Chaudhary. Thank you very much.

Moderator

Thank you very much sir. Can we move on the next speaker?

Mr. Ratanchand Surana – Shareholder

I'm Surana, speaking from Dubai. Now various shareholders have said so many things that they are the 'this' shareholder and 'those' shareholders, from various year. I can also say that I am the shareholder from the Times Bank and a customer of the bank from Times Bank days. Anyway, my big thanks and congratulation to the Board members for selecting Mr. Sashi Jagdishan as the Managing Director and CEO of the bank. Very talented man. I met him on several occasions personally, even in the AGM too, and, very soft-spoken and highly respected person. Now, as far as the financial statements are concerned, I have gone through it. Now the most important thing which attracted my attention was one statement in the Director's report where it is the first time I am reading that the Director himself is admitting the pitfall and the

short fall in the bank system, and it very clearly says we have been in spotlight for the wrong reasons when it comes to technology also, there has been deficiencies in compliance. As a bank we are certainly sorry for what has happened. Now this statement reflects Mr. Jagdishan's prior in the eight months since he took over that he wants bank to be the best. And it rarely happens that a top man of the bank, sitting in a corner room, accept his fault and admit it says that the steps will be taken. And it is not that only HDFC Bank, even in SBI and the other banks are facing the similar problems. So, I wish all the best to the bank. Once again, I thank and congratulate the Board for selecting him.

Now, my few questions are: last year the NPA has increased from 0.21% to 0.36%, the net NPAs. Is it because of the COVID? Note what it says, about the provision in respect of the matter referred to in the auditor's report emphasis of matter the effect of the COVID. Is it that we have covered everything as far as the COVID is concerned or because the provision looks to be very insignificant of just Rs. 620 crores against Rs. 15,868 crores SMA. Now, the other thing which various shareholders have mentioned is the specific pointed question when are we going to list our two subsidiaries, which are really well? Now as far as the COVID effect is concerned I was just looking at the June quarter result, which is just released. Profit has increased by 16.1%, provision has reduced from Rs. 4,694 crores to Rs. 4,219 crores as compared to March, which is really very good in such a difficult time. The gross NPA has increased 2.47 compared to 1.32. Is it again because of the COVID effect? But it is heartening to know that in this difficult time, the bank has increased advances by almost 14.4%, which is really heartening. It means that the bank is working hard to maintain its balance sheet status. As far as the service is concerned, I really must admit that the bank employees have really worked very hard during COVID and have really protected its customer. I am one of the customer of the Dadar bank which Smita Kanchan is heading and her staff. You know, really, I must say that they give the service even during this time the same as they give to the imperial customer. So, it is very heartening and I am sure it is happening at all the branches. But I visit only at one branch so I say about that. But if you see all other branches I am sure there is hardly any complaint. And this AGM has been really very entertaining. The people have come out with their talent of trying to explain thousand and one things, which has rather no relevance and wasting simply the time of our Board of Directors and the others speakers and the shareholders. So I must say thanks, all the best to the Board of Directors and all the best to Mr. Sashidhar. Thank you very much.

Moderator

Thank you very much sir. We move on to the next speaker. Mr. Bharat has not joined us. We move on to the next speaker Mr. Ashit Kumar Pathak.

Mr. Ashit Kumar Pathak – Shareholder

My esteemed gratitude to the Company Secretary, Mr. Santosh Haldankar and Secretarial department for the enhanced cooperation to members. Thanks to NSDL for nicely conducting e-voting. Sir, I have already casted my votes in favour of all 18 resolutions. Sir, I had sent my questions also by e-mail 4th July, 2021. From this I like to share some of my views. The resolution 14, it mentioned to issue unsecured perpetual Rs. 50,000 crores perpetual debt instrument. My question is, time bar for the issue and the terms and conditions and related interest of these bonds and the concerned entity. If possible, throw some highlight on this. Present vaccination tell us the status. Many speakers raise this question. I also have this question. And sir, at present auto industry raised a red flag over this spike of fuel price and hits demand of the cars. Any impact on our auto car loan ecosystems? If possible, throw some highlights. I had seen in newspaper higher debit bounces in May 21, point to retail stress. That concern from NCPI. Any impact in our business trajectory? Please throw some highlights about this. Sir, next one, RBI fines to banks over loans to NBFC for non-compliance with certain provisions on lending to NBFCs. Does my bank follow all compliances to follow the RBI directions in creating a central repository of a large common exposure? If possible, throw some highlights. The subsidiary HDB financial services interest income grow 6.8% mentioned. But profit has drastically half than previous year. Reason behind it were asset under management 61, 564.7 as on 31st March, 2021. But HDFC secured its profit is also higher than previous year. Please throw some highlight about this.

Sir, next two questions I would like to share. Sir, has my bank any exposure in crypto currency? And, sir lack of corporate governance my bank has been penalized by Rs. 10 crores regarding auto loan department. Mr. Tamal Majumder also mentioned. Sir, previous KYC submission also penalty was there. So what step our bank management team has taken to strengthen the corporate governance? Also many hackers are doing very-very sensitive operation and the fraudsters are constantly innovating ways to trick bank customers by sending fake text messages or SMS. Smishing occurs via deceptive text messages. Sir, what precaution our banks have taken to save our customers? Mostly 95 of the transaction accord to our main banking. Sir, nothing to say more. Next year, financial year very-very higher than 21 and also it would be very valued if our new MD give some valuable advice to us. Thank you, sir.

Mr. Bharat Shah - Shareholder

Respected Chairperson, MD sir, and other honorable Directors, my name is Bharat Shah. Sir, I don't have any queries because you are running the bank so efficiently so many thanks to you. Sir, the PPT is very good and we can understand everything from it. Sir, you have given a very good amount as dividend. I shall pray to God that every year we get this kind of dividend. Sir, I would like to thank you for the way you are running the bank. I shall pray to God that let the bank go forward and reach many heights. Sir, how many branches are you planning to open this year in India and overseas? Please do tell us. Sir I would also like to thank for the awards that we got. And sir, for the bonus my previous shareholders had suggested to issue some bonus. So I would also request you to give us some bonus? Sir when was the last time you

issued a bonus and what was the ratio? I request you to tell us about it. You have a very hard working secretarial team. I would like to thank Company Secretary Mr. Santosh Haldankar and his entire team that they solve all the queries immediately, and sir they always respect the shareholders. So I would like to thank Mr. Santosh Haldankar and his entire team. We find it difficult to join the meeting through this medium but your secretarial team worked really hard to make sure that we join this meeting. If during Diwali COVID is under control then please consider keeping a face-to-face get together. There used to be such a system before COVID-19. After the pandemic comes under control please do plan for a get together so that we meet face-to-face. And sir, next year after the pandemic is under control, keep the meeting in a hall so that all can meet face-to-face. I support you in all the resolutions. I give my best wishes for Ganpathy, Navratri, Dussehra and Diwali festival. Hope that all of your health and wealth remains intact and that the bank should prosper. With this I would like to conclude. I have supported all the resolution. Thank you very much sir. Jai Hind, Jai Shri Krishna, Jai Maharashtra, sir. Thank you.

Moderator

Thank you very much. Mrs. Hodayun, I have shared the unmute request with you. Request you to unmute yourself please. I think we are facing some technical issue. We move onto our next speaker. Sharadkumar Jivraj Shah, we have sent the unmute request.

Mr. Sharadkumar Jivraj Shah - Shareholder

Now sir, I have got only one question and nothing more than that. My previous speaker, as he said, HDFC AMC made a mess and really I am telling you because of that mess I am facing for the last years. HDFC knows about this, even HDFC Chairman, Deepak Parekh is aware of this. So definitely what Ashmit says, I do agree with him. Thank you very much, sir.

Moderator

Thank you very much. We move on to our next speaker. Mr. Akshay Anilkumar. I have shared the unmute request with you.

Mr. Akshay Anilkumar – Shareholder

Good evening to all of the Directors in the AGM. I think all my fellow shareholder has already asked all the questions in detail. So in the interest of time I won't repeat them. Just a few question. I think one will be terms of the payment of Rs. 10 lakh for, if you do remember last year as a speaker I had asked what was the role of risk management department doing or in

terms of you know, ensuring that all the risks are mitigated. Last year we had a penalty of Rs. 10 million plus. I think this year you know, risk management department has not done their job because there has been one more penalty of 10 lakhs. So I mean what steps are being taken by the management to strengthen? You know that in the internal audits and cheques and balance are in place to avoid such penalty issues coming year after year? Because I remember for the past three years you had a penalty in 2018, 2019 and 2020, this year. So what steps have been taken? Secondly I see that as per your annual report, there are 47 cases reported this year when it comes under the POSH Act that is the Prevention of Sexual Harassment Act. I see that previous you had 35 cases, this year you have 47 with another 12 pending. I mean this a spike of cases and that too the last year is mostly on the work from home or with 50% staff, yet the number of complaints have increased a lot with still 12 of them pending. So, for a company of zero tolerance policy, I mean, I want to know what is management focusing and how do you intend to resolve and how do you you're your work environments safe? So I invite your opinion in that regard. I think, one of the other very important parameter and if you do remember as a speaker last year I had asked this question of what are the steps being taken to strengthen HDFC Security. I didn't get an answer last year. And this year, if you look at the comparison, it is very clear. HDFC Security has about 7.6 lakh active customer versus ICICI Securities has 16.8 which is more than twice active data base that your bank has. So I had also suggested whether it is possible to incorporate discount broking or merging of discount broking arm with HDFC Securities. ICICI Securities has increased their customer base significantly year-on-year, whereas, HDFC Securities almost you know, not that great. I mean, it is 10.10 this year. It is 3 lakhs compared to more than last year, as opposed to an ICICI Banks which has increased significantly. So how do you intend to address HDFC Securities? Because profit again, yes, it is doing good and even that you can't say that they are doing good profit. Because all the stock broking agencies in general are very profitable because lot of youngsters are now coming active into the share market. So how do you intend to make HDFC Securities more profitable? And again, your return on capital this year is 16.6% versus 16.8 last year. I understand this has to do with pandemic. But how do you intend to increase it? Because return on capital is, for a bank of HDFC's size it is very important that you have good returns on their capital.

Again, my one more question relating to COVID-19. So those employees have lost their lives, what steps the Board has taken? Because you can see IDFC Bank, Borosil India who are coming up saying 'we will pay the salary of the next three years. The education of the children will be taken care of. So what steps has the bank taken in this regard and so far there has not been any official announcement in this regard for those employees who have lost their lives. And again, my last question, I think was with respect to RBI giving directions to stop issuing of new credit card. I want, this question had been asked in detail. So, I won't repeat them. My next question related to The Securities Exchange Board of India charging a penalty of Rs. 1 crores. While penalty is not the issue, the issue relates to the question of returning Rs. 156 crores with a 7% interest, because that is going to take a significant chunk off your books because not only is that a penalty but you also have to return the amount of securities of 156 crores with 7%. As per your annual report, you have mentioned that you have filed an appeal before SAT. What is the status of that and I need some more details as to why your legal

department and your external counsel did not mention about the compliance in this regard? Because if at all your appeal is lost, this amount is going to take a significant hit on your books. So, in this regard as to, again coming back to my original point, as to why the compliance and internal auditor did not take care of this aspect initially when you were invoking the securities. So, with that I think I covered all my points. I do have few more questions, but again, they are all elaborately asked by my fellow shareholders. So in that regard, I want to thank the management for giving me this opportunity where I could share my views virtually with physical meetings likely to resume where I won't be coming anytime to Mumbai. It was nice and it was a good opportunity for the youngsters who are out of Mumbai to come and express their view. So, once again, I thank the entire management, and Santosh sir and his entire team for giving me this opportunity in meticulously following up to ensure all the shareholders get their chance, that they have a seamless experience. So I mean, I have attended quite a few AGMs, but when it comes to organizing this is one of the best. And hopefully I can ever attend a physical meeting and meet the Directors too. Thank you.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank

Thanks, Akshay, thanks.

Moderator

Speaker no. 23, Mrs. Hodayun Beruz Pouredahi. I have shared the unmute request with you. Request you to unmute yourself please.

Mrs. Hodayun Beruz Pouredahi – Shareholder

Just a few questions. Sir, this WebEx platform is very good. Now I am very scared that our next HDFC will be Chorus platform. I couldn't get across Chorus in TCS. In WebEx I always get across. Please inform them to take care and get back across in HDFC. Sir now regarding employees, you're helping it is very essential because no beds available during these times, in COVID times. That is very good, companies helping the employees. Sir, I want to know regarding digital challenges. Sir many times not in your bank, even in other banks server gets down, internet gets down. So our going there it just goes to waste. So isn't there any other solution? We want to know why this is happening like that. Sir, as per the government rules you have to employ less staff. But the work load remains the same. So how do you all manage? This is really great thing and nobody appreciates, I must say. Everybody should acknowledge and appreciate that as per government rules less staff is employed and the work load remains the same, but still they give such good service. Really the employees, staff should be lauded. Sir which branch has made maximum profit? I want to know how. And sir, how much time it takes for a branch to break even? Would you please let us know? So which industry has been

most effected by pandemic, by COVID? We want to know. And your customers have been most affected, in which industry are they? Sir really miss our physical AGMs. Sir, we remember those days where we used to come personally, meet all the Directors on Board even Mr. Deepak Parekh would be present and of course, Mr. Keki Mistry and Mr. Puri and everybody. Sir, we are missing that. We can't meet our present Board of Directors. Sir, I am not going to go further. And our net profit has increased thank you very much. Wish our bank all the all the same, ultimately benefits us. Thank you very much.

Mr. Santosh Haldankar – Company Secretary, HDFC Bank

Thank you, ma'am.

Moderator

We move on to the next speaker. Mr. Jibu Cherian. Speaker number 24.

Mr. Jibu Cherian – Shareholder

Chairman and members of the Board [*break in audio connection*] from your perspective. This is not a place where I am going to be a substitute for your grievance redressal system. I mean, there are certain things which I have to bring it to the top management. Now here the basic thing of banking is retail and in retail I put money into the bank and I use something which is called recurring deposit slip and you can see in the red area, you have given a very little space in this to write the amount in words. I have sent a letter to Mr. Jagdishan and also Mr. Aravind Vohra, Head of Retail on the 6th of July. You must have received it on the 7th of July. I hope you have not been hasty enough to send it to Consumer Redressal or Nodal officer or anything. In my experience a Nodal officer, grievance redressal system are not able to address the issues. This is a very simple thing of making the area for writing the amount in words bigger. But I am sure the way you people in the meeting or the panellist MD or Chief of Retail Banking it is not going to happen. As per your own annual report page 138 and schedule 16 you are spending Rs. 429 crores on printing of stationery. And in my letter also I have highlighted very clearly, that the quality of the paper, the deposit slips something very similar to what the government offices are doing. Sir it is time that you people at least add something value for money for Rs. 429 crores that you all are spending on stationery so that the deposit slip is kept by the customer to tally accounts and even one drop of water falls on this it is going to become pulp. Second what I wanted to show you is that, your own combined account closure form, I have highlighted on this in red, which says 'credit to HDFC Bank account', and there is no place for me to write which is the bank account I am going to credit when I am closing the account. And the important thing is that you have put something called 'credit to another bank account' and the main details are [*break in audio connection*] over there. Now these are very simple things on

which retail banking or whoever in charge, they can go around the branches and see whether they are adequate enough and whether the customers' needs can be serviced.

Now one thing I find is that, you have somebody called a relationship manager. I have approached the relationship manager a couple of times for solving problems. But I am seeing the relationship manager was totally useless. I don't even understand why do you have somebody called a relationship manager who cannot even look at my simple queries at all. Like many shareholders over here expressed, I also have to give a Triple A+ rating to Mr. Praveen Sabut, the assistant branch manager at *[break in audio connection]* branch from where I am in Mumbai who have been instrumental in servicing a lot of my needs etc. even to contacting back office. And the saddest thing is that, when you write something through your grievance redressal system, through the back office, the replies are very-very standard replies or is an auto reply which is *[break in audio connection]* Like I told you this is what I am, a video session for the deficiencies of your grievance redressal things. But the bank office definitely need to pull up their socks because why does the bank office have to pull up the socks, that will affect your profitability in time to come, that will affect how you are giving customer service. Because in this banking service, in this service orientation, 90% of the customers say 'oh, you are doing a very good job'. It is the 10% who will need the thing and retail is the backbone. Corporate lending is the other part. You have to learn to treat your customer as one part of your system then only you will see the profits increasing. I personally that yes, you give good customer service, your share price stood at Rs. 1520, definitely will be going up 2850 in two years. Now, this is something which you people have to do.

Now coming to page 47 of your balance sheet. The Managing Director and the Board of Directors, everybody has talked about on page 47, in that paragraph over there 'integrity, empathy, culture, etc.' Let me just point out to you, you talk about empathy, you talk about integrity. Empathy to the customer can be better. But you don't know integrity. Let me also remind that it was a whistle blower who noticed that the things in your bank are not up to the mark. Your own systems could not detect it. Yes, that was not directly related to banking. I leave the benefit of doubt for that. But the fact is that you were not able to understand something which was happening in your own sections that some tie-up is happening there. Now coming to the present issue. I am not dealing with your digital outage and everything. The papers have given me a very good idea what is wrong with you. If you people go through the papers you will have a better idea what is going on with you. Because RBI had asked the Board to fix accountability. I want to know whether we actually fixed accountability. Now no. 2 is that I understand that in one paper it is very clearly written this is the legacy of Aditya Puri which is handed over to Mr. Jagdishan. So my reading of it, my understanding of it, is that you have a capacity issue from that high time of 10 o'clock to 12 o'clock - 1 o'clock. But sometimes your outage on which you have no control I wouldn't blame you for that. That is an electricity problem. But you definitely have a capacity issue in terms of servers, which you people have to understand. I am sure your Chief Information Officer Mr. Lakshmi Narayanan has taken this into consideration, take it up properly and then only this thing. I would fix accountability on Mr. Lakshmi Narayanan. Sorry Mr. Lakshmi Narayanan to be so blunt. But if the new digital

2.0 is coming in without proper testing, then obviously these problems of yours are going to increase. Now, what I understand from another source is that they said on 5th April you had five glitches and the reason for all of them were different problems. If I can understand it is a capacity problem, I can understand the starting of a problem.

But you had five different problems and if you people cannot get on to it then obviously it means that your service provider who is taking on to the digital technology to a higher level is not up to the mark. Yes, you have been very good in shielding his name. Very good. But then let not the customers suffer in your shielding. I am telling you these people are very lucky by having this *[break in audio connection]* that would have held people accountable. You can give me two minutes because whatever I am talking is for the benefit of the bank. So these particular issues of the thing, I mean everybody has said yeah okay, we will be fixing it on 23rd Jan, the resolutions drawn as to fix on their efficiencies. 23rd June again you have a problem. And let's differentiate outage from received. I am a customer who's quite technically well savvy. So outage, electrical problem. Capacity issue, glitches in your system, debugging which has not happened properly. Kindly do it. With all this thing I wish the bank and like I said in between I hope to see that your share price value in two years will be 2850 as a result of the different decisions that you make, different good decisions that you make. And all the very best to the Board of Directors and the Management team. Thank you.

Moderator:

We move on to your next speaker Mr. Kartik Trivedi. Speaker Number 27 Mr. Kartik Trivedi. Request you to unmute yourself.

Mr. Kartik Trivedi- Shareholder:

Yeah good evening. Can you hear me?

Moderator:

Yes, we can. Please go ahead.

Mr. Kartik Trivedi- Shareholder:

Yes. This is Kartik Trivedi. Good evening Chairman and other fellow directors. Sir this is in regard to retail only. So I want to highlight one thing that there was an incident in 2020 regarding the auto loans distribution. This is second in the lifetime of HDFC. And earlier also there was such a thing, similar kind of incident happened in HDFC Securities when there was

a Director, Sunil Shah. So why does it happen? It happens, this is the extreme torture given to the employees. Extreme torture at the top end. So why is this torture there? I can give you an example that there is 700 kilometers area of square kilometers in Bombay and there are 250 branches. Every 3 kilometers there is one branch and we have extra employees and too much of employees and too much of target pressure is there. These target pressures relate to extreme pressure in the minds of people and that is relating to all blunders. So I want to ask you, I can give you an example that Churchgate station has 5 to 6 branches within a span of one kilometer. Hello? And even in Andheri East area every 1.5 kilometers there is a branch. Why so much branches in every 1- 1.5 kilometers? Too much of employees for a business. I want to tell you that already you have captured. And too much of pressure creates havoc in this scenario. There are many employees, there are many branch managers, relationship banking heads and plus there are, which are torturing and they're creating a very bad culture in the bank. Try to understand that retail distribution is somewhat different from banking. Bank is world-class bank. We have one of the best banks to show to the world. And please do not spoil the bank. Your retail distribution is absolutely spoiling the bank. Retail distribution there is absolutely, I don't want to share that, there all foul language made at the lower end. Try to understand that there is a very bad situation at the lower end. If you want an example I will give you. There was one branch opened at Hanuman Road, which is 800 meters away from the Parle East branch. Again 800 meters. There is already one branch on Sahar Road. Why do you have so many branches? And you push more and more employees and more and more torture and pressure is there.

Please let me continue and this is very much important thing what I am saying. "*Rubber ko utna hi khicho jitna usme takat hai*" (stretch the rubber only to the extent of its strength). "*Ek baar juice nikal gaya toh aur usme kitna juice nikaloge*" (once you extract the juice how much more can you extract). Bombay already more than captured. How much will you capture? Inflation beating capacity of the average Bombay people has been exhausted. How many branches will you open? How many employees will you have? How much will you torture? This torture is very... You can see me right now. So how much torture you will do to the employees? That is the most important thing. So the torture is absolutely heavy at lower end and people are absolutely under pressure. And I will tell you that when the *chori* happened in Bihar the siren was not running. Why? Because non-service related people are also given targets. How much targets will you give? How many employees lives will you spoil? You will live very good and very good bank is there. Let it go natural. There is lot more area in India and there is lot more under banked area and you open a branch over there. So what I am saying is that deposits will automatically rise. There is no need to worry about deposits because inflation itself will take it to 30 lakh crores within a span of 8-10 years. So deposits will rise so will your loan distributions will also rise. So unnecessarily your insurance pressure, torture, account opening targets are absolutely creating a bad environment in the bank and it is creating the bad brand value impact. So where does this pressure come from? Too much of pressure is happening. And if you want I can name the employees. The Zonal Head – Raghvendra Swamy. The Branch Manager of Vishal Hall -Mukesh Singh; Branch Manager of Parle East -Jogesh Bohra and one more I want to make a mention of Hinjewadi 2 Branch Manager – Ambarish.

He has tortured my friend so high, so high, that he had to resign even after giving the business. So there is a very bad atmosphere in the retail banking side. And please do not spoil the bank. Retail distribution is somewhat different than the bank. And please create a very good, harmonious atmosphere. People have high respect for HDFC Bank. And HDFC will remain for another 25-30-40 years. So please try to understand and do your own research. I understand that you do not provide resource to other people but at least you can have research based approach for your own. So there are some more points.

Moderator:

We request you to please conclude your speech.

Mr. Kartik Trivedi- Shareholder:

Let me speak. If anything is remaining I will write to Sashi sir. So there is something, very bad atmosphere in the retail branch. And there are some more points which I will write to this thing. And please have a harmonious atmosphere. Thank you. It is absolutely a risk, operational risk in the eyes of RBI that too much of branches. You open in the entire country. The entire country is almost untapped. Only in Bombay you want branches, branches, branches. How much business will you do? How much do you want to learn? Everything has been done already. And I suggest the change of branch banking head. Not this year, next year, any time you will have to change the branch banking head. Some more points I will write to Sashi sir. Okay.

Moderator:

Thank you, sir. We move on to speaker Number 31, Mr. Mukesh V. Ajmera. Speaker Number 31, Mukesh, we request you to unmute yourself.

Mr. Mukesh V. Ajmera- Shareholder:

Am I audible?

Moderator:

Yes, you are. Please go ahead.

Mr. Mukesh V. Ajmera- Shareholder:

Namaste everybody. Welcome the new Chairman and the Managing Director, Mr. Jagdishan. *Vanakkam*. One of the things by which you can conduct the AGM a little better is, see live speaking takes away too much of time of other shareholders. So like how Reliance had done, you can invite audio or video clips from all the speakers limiting them to say 2 or 3 minutes, which will save everybody's time. And some speakers just go on and on for 5 to 10 minutes. And those who are tailenders like us we have to suffer in multiple ways. Anyway, I'll straightaway go to some of the bullet points and highlight some of the issues. First one is net banking. Net banking was evolved to reduce the pressure from the branches and physical visiting of all the customers. Now all the banks have various kinds of issues. Some of the banks have good branch banking including HDFC, but the net banking is very bad. The best example for net banking in India people can go to is SBI. You have to just copy them. You don't have to go anywhere else. They're the best net banking in the country. They've won lot of awards. Despite having the largest number of net banking customers. And you have keyboards which have dancing keys. We have to keep searching for the keys and letters. I've written about this so many times including Mr. Puri and it gets shuttled back to the branch. And this is how everybody's time is getting wasted. Now you have to have a customer service and a net banking service toll free number with lot of savvy people, those who are marketing savvy as well as customer savvy. Those who are technically savvy. So all the problems of the branches will also be eliminated and also that of customers.

Then comes the credit card. For credit card, why do you have the reward points expiring. I've written to Parag Rao several times, with no response. It gets passed on to somebody else or the branch and they have no control over the policies the bank is making. Reward points is something that we're earning. And it's something like your salary. Does your salary have an expiry? Only human beings expire. Reward points are not supposed to expire. So what do you mean by that? Do you have any accounting of how many crores you are making by expiring reward points? So please eliminate that. Being an industry and banking leader others should be aping you; instead the other way around has happened. After the expiry some 15, 20, 30, 40, 50 points we are earning, what do we get? Not even a ball pen refill from you. So either eliminate the reward points or don't have expiry at all. Now the bottom line and the top line of every organization is the middle line which is the customers. So HDFC have been doing very well, both topline bottom line wise. But middle line needs to be handled very well. There's lot of attention needed for customer service. The staff is very pressed. Many of them are very good. Ultimately it boils down to human nature. So those who are customer friendly and who are good natured should be facing the customers and the others should be in the back office. And some of the other things the bank can do is, like all the banks need to do, and being a lead bank what you can do is have depositor's insurance up to at least 1 crore rupees if not more. I mean right now the insurance is only 1 to 5 lakhs. There are so many banks that have disappeared. Maybe they are smaller banks. But then this should be the confidence people should have.

Moderator:

Sir I request you to please conclude your speech.

Mr. Mukesh V. Ajmera- Shareholder:

Yes, I will. Just a minute please. And I would request the Chairman who has a finance background and he has been with the Ministry of Finance to look into some of the redundant acts like Indian Succession Act of 1925, a 100-year-old act and many such rules and regulations which are so impractical that people are not able to get their own wealth, money back. One lakh crore rupees is sleeping in Government coffers because of these kinds of redundant and ridiculous British day rules and regulations which are being faithfully followed even today. So many of these things can be done. And as the Prime Minister has been saying ease of living should also include ease of investing, ease of banking which should lead to ease of dying also for most of the customers and the people of this country. So I request you to please pay attention to customer service. And if you need help I can offer that. I have extensive background in customer delight. So let this be the last part. At least customer satisfaction should be the bare minimum. Thank you very much.

Moderator:

Ms. Neha Misra, request you to unmute yourself.

Ms. Neha Misra- Shareholder:

Yes. Thank you. Thank you so much team HDFC. I hope you can see me and hear me okay.

Moderator:

Yes, we can.

Ms. Neha Misra- Shareholder:

Yes, very good evening to everyone. At the very onset I would like to welcome our new Chairman- Mr. Atanu Chakraborty. And we hope that with his supervision the company will definitely scale newer heights. Thank you so much Mr. Haldankar for your patience. I've been seeing for the last two and half hours, you've been listening to all our complaints, queries, everything, with a lot of patience, not having to rush through some of the issues that a lot of our shareholders are mentioning. So I really appreciate you and your team for coordinating this. My earlier speakers have already mentioned some of the issues that are visible in the

Balance Sheet and the financial statements. So I'd like to sort of talk about something which is a little bit different. I'm the leader of one of the financial education platforms which is incubated at IIT Delhi and STPI and one of the avenues that I see where I feel HDFC can work on is the emergence of financial technology. So it is one of those core areas wherein a lot of newer banks are coming in. We work with a lot of newer banks within the space that we're in. And I would hate to see the customer base being taken away from one of Bank NIFTY's top achievers which used to be HDFC Bank and go away towards the newer banks which are coming. Because I am also a corporate customer so I know the level of service that HDFC Banks provide. But if we could also leverage the Fin Tech potential that is now coming into our country and with the increasing investment that this space is seeing, I think in the next AGM we will see far better results.

Another area which I'm very passionate about is sustainable finance. And while I know that HDFC does print one of its reports which is focused on triple bottom line costing and those kind of things, I would encourage you to showcase your CSR initiatives in terms of better sustainable accounting models, so that we can talk about people as well as purpose and it becomes, we're all stakeholders then not just shareholders. So thank you so much for that Mr. Haldankar and team HDFC Bank. And I'm a really, really proud customer, really proud shareholder because I always felt that equities give you literacy; equities give you knowledge and equities give you strength. So thank you so much for that. And I wish you all the very best. I hope at the next AGM, the 28th one we would all meet in person and share the delight that bank has achieved in the coming one year. So thank you so much once again and I know that we're at time so I wouldn't want to stretch. But what a great experience this afternoon. Thank you.

Moderator:

Thanks Neha. Mr. Balasubramanian. Speaker Number 33, Mr. Balasubramanian.

Mr. K. S. Balasubramanian-Shareholder:

Yes. Am I audible?

Moderator:

Yes, you're audible.

Mr. K. S. Balasubramanian-Shareholder:

Thank you. Mr. Chairman, Directors of the Board, I'm K. S. Balasubramanian, a shareholder from Coimbatore. I have great pleasure in participating as a speaker in the 27th AGM of the largest private sector bank in India with 2201 branches, 7110 ATMs spread over 996 cities in India. Even in the background of Covid 19 pandemic situation the bank has grown, has a growth of 13.2% in deposits to 13,46,000 crores and both in depository retail loan and wholesale loan grew comfortably. All the ratios including capital adequacy ratio of 18.8% and a CASA of 46.5% show cause the strong Balance Sheet of the bank. An excellent performance. Now regarding my queries; we have total provisioning of 4685 crores including the 1300 crores of the contingent provision and higher than 3785 crores reported in March 2020. The higher provision resulting in a fall of 7% in sequential net profit. As a result, the bank's Credit Cost Ratio increased to 1.84 from 1.25%. Higher provisioning is in the light of the Supreme Court's moratorium in classifying loans as NPA having been lifted. There is more certainty in stressed loan. Why this over provisioning? Any one time resetting or any floating provision was made. HDFC had multiple outages in mobile and net banking services and RBIs strictures of banning the new credit cards for the customers is really worrisome. And I would like to know whether digital technology audit has been over. What are the multiple digital products that the bank plans to introduce?

In spite of being the top most bank the slur of levying a penalty of 10 crores by RBI to selling a GPS device to auto loan customers is not part of the banking business. It is indeed very sad. It is a black spot on otherwise a clean and white slate of the bank. Please facilitate the bank's proposed technology transformation agenda and also about the cloud strategy to be adopted by the bank. Do the bank make any such deterioration of the retail asset quality of those who have taken moratorium and restructuring and slowing down of any collections due to this corona. Lastly as a shareholder last year no dividend was paid due to RBIs instructions. And this year also only a meagre amount was declared in spite of a spectacular all round achievement by the bank. The dividend distribution policy needs revamping. As an earlier speaker has spoken there should be a reorganization of the branches. I think wherever branches could be cut the direct overheads could be reduced by the staff salaries and others and also the geographical movement. Hence as far as possible instead of embarking on larger expenses of the banks you try to rationalize the branches, the existing branches and see that the return from the branches are to the best of performance. Thanking you once again for the excellent performance of HDFC Bank. Thank you, sir.

Moderator:

Thank you, sir. Speaker 35 Mr. Dharav Jamadar. Speaker Number 35, sir can you hear us?

Mr. Dharav Jamadar-Shareholder:

Yes. Greetings of the day sir. Am I audible?

Moderator:

Yes, Dharav, please go ahead.

Mr. Dharav Jamadar-Shareholder:

First of all, I would like to congratulate our company on achieving such marvellous numbers in the current financial year. I would also like to congratulate and my best wishes to the upcoming Chairman, CEO and MD for their journey ahead. There are a couple of questions. My first question is what are the company's strategies in order to come out of the credit card ban which has been imposed on us. And what are the strategies which we will be implementing for the future in order to avoid such type of headwinds which our company has faced. Second, when can I expect my company to become a completely global bank, that is working internationally. Third, historically we have seen that Indians are perfectly savings oriented people. And if we see right now the savings rate are at its bottom. So let's say the savings amount has been shifting to the financial market, which in fact is seen right now. So what do you see would be the financial landscape in India particularly after five or ten years. Then next question is regarding the value creation in the subsidiaries of our company that is HDFC Securities and HDB Financial Services. If we see the HDB Financial services it could have collected the tailwinds which we have faced with the credit card ban. And if we are properly implementing the big data technology and Artificial Intelligence which our nearest peer has properly utilized we can get the valuation of Fin Tech companies. And my next question is related to HDFC Securities. Right now if you see discount brokerages and zero brokerage firms are eating away the market share of the properly governed or properly run broking companies. So what are your strategies in order to safeguard our turf in that? Next question is- what are your new plans for launching new products and services in this current financial year? Thank you very much sir. Wishing you all a happy financial year ahead.

Mr. Santosh Haldankar- Company Secretary, HDFC Bank

Thank you. Thank you, Dharav.

Moderator:

Speaker Number 36 Mr. Vinod Agarwal. Request you to unmute yourself sir.

Mr. Vinod Agarwal- Shareholder:

Can you hear me?

Moderator:

Yes, we can. Please go ahead. Yes, sir.

Mr. Vinod Agarwal- Shareholder:

Can you hear me?

Mr. Santosh Haldankar- Company Secretary:

Yes, sir go on. We can hear you.

Mr. Vinod Agarwal- Shareholder:

Respected Chairman, Atanu Chakraborty *ji*, CEO- Sashidhar Jagdishan and our CS, Haldankar, Mr. Santosh Haldankar *ji*. Sir, I've got a few observations from your Annual Report. One thing I'd like to know, have the Chairman and the other Directors walked out of the meeting or are they still there somewhere in the meeting. Because we shareholders are made to suffer for three to four hours and they've been walking out. It should be equal mind stress for them.

Mrs. Renu Karnad – Non-Executive Director:

We're there.

Mr. Vinod Agarwal- Shareholder:

We've been given three hours' stress out here, so even they should be able to listen to us. It's not that Company Secretary is taking down notes and then passing on. It should not have been that.

Mrs. Renu Karnad – Non-Executive Director:

All the Directors are there.

Mr. Santosh Haldankar - Company Secretary:

All are there.

Mrs. Renu Karnad – Non-Executive Director:

All the Directors are here. Maybe you can't see them.

Mr. Sanjiv Sachar – Independent Director:

Mr. Agarwal, we are 100% here. We are keenly listening to your views.

Mr. Vinod Agarwal- Shareholder:

So sorry on that. Because I could not see the full screen. For attending the screen was different. Okay. Another thing. On page 112 and 113 have been given the 10 year highlights of the bank. There I see in the past 8-9 years the dividend payout was about 20% plus DDT. Now year the dividend payout has been only 12% or 13% of the 56 rupees that we have earned, Rupees 6.50 paise. And that is without the DDT. Last year when you paid 750% that was two years ago was with DDT and a special dividend of 250% was with DDT. So that worked out to 1022%. Now this is 650 without the DDT. So the end recipient, the dividend received by us will be much less. And even this dividend received by us will be subject to TDS, which was not there earlier. I hope that you will look into a special dividend for us in the future. Last year also the dividend was skipped. Now the Rupees 6.50 paise dividend is for a two-year period, out of the last year's earnings and this year's earnings. So I hope that you compensate the shareholders somewhere or the other in that way. Another thing which I've observed is you've declared this year's Q1 results, in which the HDB Financial, which the people are asking for having it listed. It has not been very particularly good. The PAT has gone down by 44% in this year, this quarter to 130. And the NPA also has risen to 7.75% GNP from 3.89% in HDB. So I don't think so it's a good time to have HDB listed, HDB Financial Services listed, because the performance has not been up to mark of our main bank. And I am happy that our Net Foreign Exchange earned, we earned in derivatives some 2438 crores and our operating and Capex expenses required 1600 odd crores outgo. So maybe a net earner.

And another thing which I have an issue with is that you invited some speakers for the second and third time. This should not have been so. We are tail enders, 36 number. I'm coming after, I logged in at 2:20, now this is 5:27 what my watch is showing. 3 hours and 7 minutes, it's a long time to attend. So do not allow people who have logged out to come in again. If they want to come in again come at the end. It's taking up our time when they come in and relog in and do something like that. One speaker came in three times, Sharad Shah. Then Tamal came in

twice. They take up our time. And you've given some them more than four-four minutes, five-five minutes when the time limit set by you was two minutes. When Speaker 36 has two minutes' time I was expecting to come within one and half- two hours. Now this has taken me more than 3 hours to come in. So it's lot of time in front of a screen fatigue does come up. I am sure you also must be realizing it that screen fatigue comes in front when you're sitting so much and so long. Next year, do have a physical meeting and I hope the company keeps on growing. And I wish all the best for the future. Thank you.

Mr. Santosh Haldankar- Company Secretary:

Thank you, sir, thank you. Can we have the next speaker please?

Moderator:

Yes. Sir, request you to unmute yourself please.

Mr. Zala B. Pushpendrasinh- Shareholder:

Can you hear me?

Mr. Santosh Haldankar- Company Secretary, HDFC Bank:

Yes, sir.

Moderator:

Yes, we can.

Mr. Zala B. Pushpendrasinh- Shareholder:

So I have four questions with me. First question is when was the last time CEO and MD met our Prime Minister or Finance Minister or RBI Governor face to face. That's my first question. Because I feel that relationship making, liaising is very strongly required at this moment by HDFC Bank due to new management maybe. And what we have seen action by RBI Governor and RBI I feel that somewhere HDFC Bank is lagging relationship and liaison, that's why such stringent actions are happening against the bank. So that is one question of mine. Second question is are we happy with the growth? The way technology is moving ahead, the way

Zerodha, Paytm, PhonePe, Google Pay, everybody is eating into everything in future growth. Are we happy? Are we clapping that we have done well? I think we're missing it. Next five years are going to be crucial if we want to know that this is going to be Sashidhar *ji* or Atanu *ji*'s HDFC Bank for next five years, I think this is the year where you have to take bold steps and you have to try and sack few people if required if you want to post some people from maybe Paytm or Google Pay or anywhere. You have to do that, publish that in your Annual Report that how many people were sacked because of performance, how much talent from across that you've recruited for verticals which you're going to be using for capturing next growth cycles and next technology cycle.

Third is how you are planning to make your branch staff aggressive. You go to your branch and go to either side one kilometer, everywhere you will see Paytm, PhonePe using everybody other than HDFC Bank anything. So now is the time HDFC Bank and staff, they can become a SBI kind of culture or they can be a next generation kind of promoters or entrepreneurs who are very aggressive, which HDFC Bank cannot imagine or their staff may not even imagine. I think this is the time HDFC has to make a call on how to make all your branches and customer centric and how aggressively they can reach out to the next door and on the roads. And last one is technology. Why is HDFC Bank, everybody is talking about it's very poor. Yesterday also I checked HDB Finance web site, you go to some sections of student insurance or something, you click on that and you don't reach anywhere. So I think website click is also not happening, forget about smooth technology. Today you go to buy anything online everywhere you'll get the option of maybe UPI or maybe Paytm or GooglePay for payments, we request Mr. Puri *ji* and Deepak Parekh *ji*, but now if they want to create a history for themselves and if they would like to create that then I think this is the right way. Thank you.

Moderator:

Thank you, sir. We move on to Speaker Number 42 Mr. Kashyap Javeri. Speaker Number 42 Mr. Kashyap Javeri we request you to unmute yourself.

Mr. Kashyap Nitin Javeri- Shareholder:

Hello. Am I audible?

Moderator:

Yes, sir.

Mr. Kashyap Nitin Javeri- Shareholder:

Yeah. Thank you very much for the opportunity. I have two questions. One with respect to one of the earlier participants question on fraud. I understand that this year it's about the cost was almost about more than 3% of the PBT. If you could throw some light on what kind of frauds are included there. The cost is too high. And point number two- our remuneration and nomination committee almost met 28 times a year whereas fraud monitoring committee met only three times a year when the incidents of fraud became so high. What are the steps that we're taking to control this number? Question number two is pertaining to Fin Tech. Now we're going to see plethora of IPOs coming from Fin Tech and E-commerce companies which will be seeking billions of dollars in valuation. We have been.... Hello?

Moderator:

Please go ahead.

Mr. Kashyap Nitin Javeri- Shareholder:

We have been hearing about PayZapp and SmartBuy. HDFC Bank SmartBuy program for quite some time in our Annual Reports. I can see the mention of that also in Filing to SEC in US. But we never mentioned any numbers with respect to that when we're saying that this is going to be one of the primary drivers of our MSME business and retail business. So I just want to understand can we disclose some numbers as to what was the throughput in HDFC Bank's Smart Buy program in FY'20 and FY'21, what people call the gross merchandise value. I understand that we're aggregators of aggregators but still that number would be helpful. Second on the same lines in terms of PayZapp also if you can highlight what was the throughput in FY'20 and '21 in terms of wallet and in terms of *[break in audio connection]*. It generally says that if you've got it you should flaunt it. But we hardly see any numbers with respect to *[break in audio connection]* outing as our next growth driver. So if you could disclose some numbers in both of them. So one question on fraud and second on PayZapp and HDFC Bank's SmartBuy program. Also on SmartBuy program if you can disclose how much money we're going to spend on promotions in FY'22 also. Thank you so much sir.

Moderator:

Dinesh Bhatia. We move on to our last speaker Mr. Dinesh Bhatia. Sir request you to unmute yourself. Dinesh Bhatia sir, may I request you to unmute yourself.

Mr. Dinesh Bhatia- Shareholder:

Can you hear me sir?

Moderator:

Yes, sir.

Mr. Dinesh Bhatia- Shareholder:

Firstly, I would like to say congratulation to you, Chairman *ji* and your entire team. In this whole pandemic period also our bank has made very excellent profits. Last year our profit was 20,000 crores as against this year's profit of 31,000 crores. Earnings per share was 48 rupees last year, for 1 rupee the earnings were 48 rupees as against that this time for the bank it was 56, for 1 rupee share it was 56.60 rupees earnings, which shows the efforts of you and your team. And the other thing is our Aditya Puri *ji* was given the global award for Excellence 2020 Lifetime Achievement Award, what was conferred on Aditya Puri *ji* is given on Page Number 41, sorry it's given on Page number 114, the Lifetime Achievement award conferred on Aditya Puri *ji*, I congratulate him also for that and I congratulate your entire team. On Page 114 there are quite a lot of awards conferred on our bank. I am very happy about that and all of us congratulate your management, your team for that. We wish that our bank continues to progressing this manner. I support every word of the bank's resolutions. Lastly I wanted to ask only one thing, how much are the earnings of our bank in foreign exchange and how much is the outgoing. If you let us know that we would get some information about it. Thank you sir for giving this opportunity. I am very thankful for the opportunity given to me by the secretary and the secretarial team to connect with you. Thank you.

Mr. Santosh Haldankar- Company Secretary:

Thank you, Bhatia *ji*. Moderator, this was the last speaker. Have we finished?

Mr. Atanu Chakraborty- Chairman, HDFC Bank:

Well, I'll thank all the speakers who have taken pains to bring out many issues, latent or open or otherwise. I really thank them for taking lot of pains and staying with us all through. With this I conclude this session of speakers, members who have been wanting to speak. May I now request the Managing Director to respond to the queries raised by the members in a comprehensive fashion.

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

Thank you, Chairman. Thank you, speaker shareholders for being patient enough to let your questions at us. There are several of them. I'll try and consolidate in a logical manner. First of all, let me address the overall performance itself because there are a lot of sub-questions that most of you had asked. I think this year both FY'21 and as we are going through, even though this we're still in unprecedented times. The Covid pandemic has impacted not just us but global humanity. In the light of this obviously we had a job to do. We have to continue to provide banking services to our customers. I think during adversity I think we sometimes, our people come out with brilliant thought processes. I think congratulations to the team to have been able to continue the journey. Of course we're not perfect. We may not have done to the best of our ability, but they put in their best efforts. And that's reflected in the financial performance for FY'21. A decent and a healthy growth when you compare that this is one of the worst times in our history. Covid 2 sort of struck in April and May. We just declared the results this morning. As you can see almost about 40, we worked only about 40 days or rather people who had to go out to meet customers could move out just about 40 days. Because we were very clear that we need to protect the risk and the health of our customers and of our staff. And that is the reason why we had a limited amount of claim on our hands. But despite that contrary to my own expectation I think the results were reasonably healthy.

Of course once the pandemic is over, when normalcy returns I think your bank as it has shown in the last 26 years will bounce back reasonably well. So this we're very sure. The Chairman also mentioned that in his opening remarks and both of us believe that the energy levels of the bank, of the teams, right through to the bottom are all wonderful and we are very proud of the bank, 1,20,000 people that we have in our outlets. A lot of questions have come about on the staff itself. Yes, we've had a fair, we're about a 120,000 people. A lot of them had issues, were infected by the pandemic, more than 17,000 to 18,000 people were infected. And we did lose a lot of our youngsters as well, a lot of people. So as the Chairman mentioned I think we pay a lot of homage to them. We've done and a lot of questions have come in on what is it that we've done. We've ensured that whatever was the salary that is being provided to them on a full year basis, the variable pay or the bonus was paid on a full year basis. We paid ex-gratia which is multiple times of the salary for a person. We've also sort of invited the kith and kin of the staff to be a part of the bank. We've offered employment opportunities. And wherever they have not accepted it or they've not been in a position to take up employment we have provided kind of a program where we can provide medical facilities for their elderly parents or for the young children education package over a period of time, up to a certain point in time. We will continue to do so even through the years when it happens.

Technology—this is another one which a lot of people had talked about. Before I get on to the issues I think it's imperative or it's important to sort of give a preamble to this technology part of itself. Firstly, let me reiterate that our business model right from the time we became a bank hinged on open scale built technology architecture. We would not have come to this stage with 26 glorious years of growth if we did not have a strong technology backbone. So that is something that we need to keep in mind. In fact, you know when you look at these 26 years of

journey we invested way ahead of our time. We're probably one of the few banks which invested in advanced technologies be it data warehouse, because of which we could do a lot of credit and marketing analytics. We could sort of have run algorithms on data analytics. And the proof of the pudding is in the eating. I mean you now see there's a, it's evidence by the fact that we have a reasonably healthy asset quality portfolio. The forefront of digital technology is another one that we were way ahead of times. In 2015 when we realized that the Fin Techs and platform players were really trying to disrupt many traditional companies in multiple sectors including financial services I think we sort of took this as a challenge. We sort of you know using our, we were one of the few at a forefront to launch APIs way before it became a passion. So because of some of the things that we did, of course we still have a lot of monolithic architecture but still we started to do a lot of work on that and we were able to stitch the backend and the frontend to launch a lot of digital products. We were pioneers in launching the more, what you call the visible 10 second loans, whether it's the 10 second personal loans, the 10 second auto loans or do your own loan against securities and many such products. It was not just an India first but a global first in those times.

And all this is something that is, you know the implementation of all that was at scale, which is the reason why we could sort of bring down the cost to earnings from 49% about six years ago to a 38% on a core basis. Of course when you look at the cost to earnings in today's financials it maybe reading about 35-36%. But that's because of Covid impact; on a core basis it will be about 38%. But that's a substantial change in our cost to earnings. And a lot of questions have come about with front shareholders as to what we're planning to do. And when we talk about what the plans are on technology you will sort of see that we have a clear focus on digitizing, improving productivity without sort of laying off any people. So let's now come to the issues. It's not that outages are something that is only for us. There are now publicly available data where outages happen not just with Indian banks but globally as well. We're not the worst neither are we the best. So where is the problem? The problem is the time we take to recover from these outages. Now this is where when an outage happens our customers are inconvenienced and we have seen that the recovery time is not a global average at all. It's gone beyond some amount of, beyond a certain threshold level where customers do get impatient. So it is a very valid reason why the regulator has given a rap on our knuckles. It is something that we humbly accept that kind of rap. But as I have mentioned in the past we're pretty grateful for that because we've been able to open our minds; we've been able to sort of think beyond and we're putting a lot of our efforts and investments into minimizing the recovery time.

So what are we trying to do now? We're trying to see that how is our existing architecture, which is reasonably sound. How can we hollow it; how can we convert it from a monolithic architecture to a micro-services based architecture so that we can, it can be a cloud native, cloud ready architecture. We can put it to containers, we can have an orchestration engine so that when it comes to resiliency, when it comes to scale we will be able to do it on demand. This is a very important aspect. It's not going to happen overnight. But this is a very clear plan that we have which is being monitored not just at our level but even at the Board's level. We have an IT Strategy Committee which sort of does it very religiously in terms of whether we're

on plan. These things will take a bit of a time but the work has started. Whatever helps. You know some of them, some of you'll did ask about the disruptions by Fin Techs, the kind of or by platform is and it is a very valid fear. This is not something that I'm saying, even the previous Managing Director mentioned, some of our Board members are mentioning that how are we countering this kind of a threat. So there are two aspects to it. Either we sit and sulk saying that yes, your Fin Techs and platform players are going to come and rock the boat and take your lunch away or we think differently. We become like them. So most of or the moment we start to get into micro-services architecture, build new products and new developments on the cloud, which is what the Chairman in his speech said that we're creating two factories, two muscles, like the enterprise factory and the digital factory to be able to build these new architecture, new designs on the cloud which will ensure that we are able to compete with the Fin Techs and the platform players. This is again a journey you will start to see. You will not see it overnight. It will start to happen in 12 to 15 months' time and the whole thing will probably be unveiled in about three years' time. But having said that whilst this is a good plan as we speak, we need to ensure that we minimize some of the issues that we're facing today. We cannot make it zero. We will, we are trying to, you know even in our existing architecture because it will take a lot of time before we move to the cloud. So we are beefing up, we have beefed up capacity. It's not a new thing. We've been doing it over the last two years. We've said it is better to have more capacity than that is needed especially after going through this kind of a stress.

Two- we are having new tools wherein the resiliency factor, wherein we are able to monitor the transactions, where pinpoint the diagnosis to ensure that we're able to invoke the disaster recovery on time is something that is in progress and which is the reason why in the last six-seven months the confidence levels of our team has been much better on that one issue which is the recovery. So these are some of the things. And a lot of people did want to know about the responsibility and accountability. Now I can assure you that whether it's the Board Directors or the regulator, I think both of them are extremely serious about it when it comes to governance and when it comes to pinpointing responsibilities and accountabilities. We are an extremely wonderful organization. We're proud of what we have done. But obviously we're very clear that when it comes to responsibility we seniors will take responsibility. And whilst we don't want to sort of embarrass anyone into saying that who are the ones responsible. But yes the Board, the Management have taken sort of the decisions on accountability for all the aspects which have happened on the technology front. And not just on technology but even on the other aspects where we have got a rap on our knuckles from the regulator through the kind of penalties that have been levied over the last couple of years.

Yeah. On the second, the third question is on the ban, sorry not able to see people. Just a moment. Yeah. The third one is on, a lot of questions have come on the ban, the impact of the ban on our credit cards. Now yes, over the last eight months we've not been sourcing credit cards. It has impacted our run rate of acquisitions. I think there are market metrics which suggest that we have lost a bit of a share. But I can tell you and I think the Head of Payment products couple of months ago also sort of came on to the media and he spoke about it as well.

And we've been in this situation in the past. As you know the credit cards business we were one of the last entrants in this business. We started off in early 2000 whereas lot of other banks had already started this journey much earlier. Well we've walked through these 17-18 years and I think we've become the number one player. So I'm sure with the kind of progress that we're making in terms of complying with the regulatory directives we believe, in fact just to add to the other question that came about on the Tech audit, yes the Tech Audit has got over. I'm sure the Reserve Bank is examining that. Whenever the issue gets resolved, whenever they feel that yes, we're comfortable in terms of opening up, I can assure you that we have a lot of energy to bounce back as quickly as possible. I don't want to promise anything, but you will see the numbers when that happens.

Lot of questions on the Mastercard ban. Yes, Mastercard is a significant partner, as a franchise partner for the bank. But the good part is like in most of our businesses we patronize an open architecture, whether it's for cards, whether it's for insurance, whether it's for mutual funds, we distribute a lot of other company products as well. Even in cards we have multiple franchisees, whether it's a VISA, whether it's Mastercard or a RuPay, so the bank today is protected in sort of having a failover mechanism. So until the ban on Mastercard was lifted I'm sure the Head of Payments will and when our embargo is lifted the new cards could be on either of the platforms that I just spoke about.

Lot of questions were on the monetization of HDB and HSL. But before we come to that I think let me talk about HDB and HSL. Let's talk about HSL, that's an easier one. HSL gives broking as a service. Broking as a product. Now broking compliments our offering to our customers. The bank offers savings, borrowings, payment products, investments. We don't have a broking product. And that's supplemented by our subsidiary the HDFC Securities. So whilst it is doing extremely well I also sort of recognize the fact that lot of questions came about how do they stack up against new discount brokerages. You're right. The discount brokerages have been eating into the share of some of the marquee and traditional names. It's riding on better neo-architecture. And I'm happy to say that our own HDFC Securities also has a plan and you will see that countering the threats from discount brokerages with its own neo-architectural discount kind of a architecture as well. But having said that I think we will do it extremely responsibly.

We believe that over the next 2-3 years you will start to see them gaining market share. And this is one company that we're very proud to hold. In terms of monetization I guess it's too premature even to think about it now. We will sort of, whilst I know the markets are very active but I guess we would want to ensure that we create a great platform to be able to create a great competing product to our customers and if we need to monetize it we will think about it in future. And HDB, this is a company where we are holding as a pure financial investment. The company, the HDB Finance caters to about one or two customer segments below that what the bank caters to. It's a very well-run company because it's catering to a customer segment which is one or two nautches below there is, and this pandemic has had a huge impact on them. Shareholders probably would realize the kind of impact that customers of a certain strata have

got impacted not because of anything, it's purely because of supply side constraints. With the lockdowns in the first wave, the multiple localized lockdowns in the second wave and the fact that it has impacted some of the lives as well. In fact, the research done by our credit team suggests that the casualties of our customers is four to five times than the normal that we see on a per annum basis. So it's been extremely unfortunate for some of our customers in the bank and even for HDB. I guess this is a temporary phenomenon. So even if the gross NPLs have gone up over the last 15 months it's principally because we're going through a phase which has been unprecedented. This I believe will recover the moment you see the economy opening up when normalcy returns. I think because a lot of these people, lot of our customers are not willful defaulters. And especially at the retail and the MSME side. They're all, they have noble intentions and once you have that, once the economy and their business models come back they will pay back because they want a good credit history. So this is the kind of an experience we've seen in the past and we believe that well-run, well-governed companies should sort of get back to normalcy as quickly as possible. So the monetization plans for HDB not as one of the shareholders did mention I think we would like to wait. We may try to discover price initially but in the medium term I think we would want to watch how it recovers when it moves into a normal environment, at that point in time we will think about listing it on the exchanges.

Lot of questions on staff which I mentioned as to what all we have done. Of course on the vaccination drive, you're right. I mean when we entered Wave-2 we had just about 1000 people in the bank out of the 120,000 people who were vaccinated. But I must appreciate the kind of efforts that a lot of our people have taken in creating camps. We've undertaken more than 370 camps as we speak. Approximately 80,000 out of the 120,000 people have at least got vaccinated once. So this is where we are. You're right, I mean it's imperative that we have all our staff to be vaccinated. It's a combination of what we have in terms of the supply of vaccinations. I guess this is an effort that we're continuously doing. I'm sure in about a months' time we should have all our people vaccinated. That's our endeavour.

Lot of questions on whether we have laid off, whether we have cut salaries. I think that's one thing that we're extremely proud of all through the pandemic and even now I think we are proud to say that we have run this ship in a norm as if nothing has happened. I think that's the kind of resilience that the institution has. We had, in fact on the contrary we have added more people over the last one year. And all of them have got not just increments but also variable pays as well.

Overseas strategy. This is an often asked question in multiple forums. Let me try and, you know India is a very large country. We're still hugely under-penetrated in financial services. We need to spend a lot of time and energy in trying to provide banking and financial services to our own, in our geography which we understand where the management has enough bandwidth to do so. Trying to go to another geography whether it's any overseas territory it's going to dissipate our bandwidth or energy because it's a kind of a new demography. People generally are not so similar as the Indians are, as we understand India. And it doesn't make sense to have one branch out there. We do have about four overseas branches, that is just to cater to our non-resident

Indians and also to Indian corporates who set up businesses in that jurisdiction. But in terms of expanding our overseas footprint it doesn't make economic sense because just imagine if you go to the US and you need to compete with a JP Morgan you need to put in huge amount of capital, people, management bandwidth etc. It just makes sense just to have one branch in US and say I'm a global bank. So this is not just my strategy, this is something that we have been consistent through all the 25 years and we continue to remain, our strategy is not going to change back.

The status of RBI directive. I guess I did allude to it. But yes as we mentioned we have given a milestone to the regulator in terms of what are the things that we're doing on our technology, complying with their advisories and directives. We have covered a very significant portion as we speak. Almost 85% of whatever we had to do has been covered. We have a clear milestone when we cover the balance. I guess the audit is also over. I'm sure the regulator is sort of looking at it independently. The ball is in obviously the regulator's court. And as they deem fit and as they sort of see that we're on the right track I'm sure at some point in time they will lift the embargo. Till then we have a lot to do. We have our plates full. We have, we're focused on getting things on what we need to do on the technology front, what we need to do in our businesses in terms of trying to ensure that we strengthen our customer engagement, our customer service. And I will talk about customer service as lot of people have commented on the same.

CSR expenditure. I think yes we have been compliant right through. Yes, there was a shortfall in 2015-16. I hear you. If there is a shortfall we will examine it whether we can cover it. No promises. But as you know even spending a 600 plus or 620 plus crores per annum is not easy. It's not just doling out a cheque or writing a cheque and doing it. We have a finite bandwidth. We are very particular; the CSR Committee of the Board is extremely responsible. Why? Because they want to ensure that every penny that goes out there is an accounting of that; there is an efficacy which is being measured and monitored. We want to broadly ensure that it's moving into sustainable development, you know where it creates a kind of a value addition to the intended beneficiaries. Your thoughts are noble. We will examine whether we can cover up the shortfall in the coming years for sure.

And there were lot of other questions on Covid related. Yes, we have spent reasonable amount, almost about one sixth of our spends that we did in last year has gone to Covid including contributing to the PM Cares Fund. We plan to have a similar number allocated for FY'22 as well. Yes, we are going to be partnering with large part of infrastructure companies, which is going to be selling up in good Covid related or pandemic, I wouldn't call Covid but any future pandemic that may hit the country I think we should be well-prepared in terms of providing great infrastructure including oxygen plants etc.

Insurance costs- I know some of you, one of you had mentioned about what is this huge increase in insurance costs. One of the key elements there is the Deposit insurance cover. There is a certain methodology when you increase deposits you have to pay that much into the DICGC.

And principally the increase is primarily on what we have contributed as Deposit insurance premium.

Yeah some of you, one of you did mention about what is the gap between the loans going up by 14% but the gross income going by 5%. As you probably would know that the Yield Curve has been coming down. It's only recently that it started to go up. But for a large part of the year the yields have been coming down both in bonds and including, because of liquidity which is being flushed in the system, the cost of deposits and the yield on loans have also been coming down. So the 5% growth rate is nothing but a combination of 14% of growth in loans and a drop by about 30-40 basis points on the yield of or even slightly more on the yield on loans as well. The fact that we've been able to make in margins is because we've been also sort of seeing the cost of funding also coming up naturally.

Yeah, on the, some of the people talked about the assurance functions. You know this is an area that I must sort of compliment the bank's Board to have taken extreme and a very important, you know taking this as one of the most important agenda items in terms of trying to ensure independence with the second line of defense or the third line of defense in the company. And whilst we've been proud of the kind of controls that we have put in place over 25-26 years, obviously when the bank is growing at a compounded growth rate of 15 to 20% year on year on year, there will be times and which has been sort of been evidenced with some of the raps that we've got from the regulator that we need to even heighten the pace of oversight on our controls and compliances. The good part is the tone at the top right from the Board and from the Senior Management is extremely, that's not just now but through the 25 years, that's been one of our proud heritage that we have inherited. Yes, we're not sort of, we are human. We do make mistakes. We need to tighten this up and you will see that. Not sort of assuring, you know I can't give you a future guidance that we'll have zero but I'm sure with lot of focus on this we will start to see this coming down as we move ahead in the future.

On employees. One of the people did mention about posh cases moving up from 34 to 47. Let me first look at kind of changes that we're doing on employees. We have launched a Nurture Care Collaborate program which has been spearheaded by our Human Resources Unit in conjunction with the entire supervisory architecture of the bank. We are 120,000 people. Around 108,000 are the bottom of the army and the 12,000 people are the supervisory architecture. So each and every supervisory layer and every supervisor is being trained to treat the army with lot of care to handhold them. After all when you have, you know not all five fingers are the same, so whilst the intent is there it will take some time to ensure that there's standardization of thought processes. And this is not an overnight thing. This is not easy for me to say to you that if I give an instruction it will be followed to the tee. It will take a lot of time. But at least there is a kind of an institutionalized process by which the HR Team and the Supervisors are going to be focusing on this including on the culture aspect and treating even women respectively. These kind of cases really are very distressing for all of us. We would love to minimize that. But unfortunately there are some of these transgressions that happen. We take strict action, if it's proven we have to sort of provide the kind of, ensuring that this is

true. If it's true we are not lenient at all on such matters. But yes it's the, both the Board and the Senior Management level, this is one area that we're distressed and we would want to see this coming down.

Customer service. Yeah lot of people talked about customer service etc. This is and as the Chairman did mention and I've also sort of written to the shareholder, this is an area of constant focus. We have been good with technology. But we need a lot of help in terms of not just to the frontline staff in providing lot of support from backend and from technology as well. As part of our plan that we have we are trying to create a lot of services which will be on a self-services mode. In fact, even though some of our new age architecture will take a bit of a time, we are constantly trying to come up with tools and enablers that will try and simplify customers interactions with bank. We want to try and ensure that customers can do a lot of things even in our existing infrastructure from home or when they walk into a branch by the time they walk out all the instructions should be on a straight through basis. This will help to minimize some of the angsts that customers have. We are at it. We have like how we give targets to our people in terms of business numbers we have given targets to the various customer touch points to even reduce some of the customer pains and customer complaints. This is our honest endeavour. And I'm sure that you would start to see that. We're happy. I mean any one of you having grievances please write to us, we try our best at the Senior Management level to be able to look at each and every complaint. If we've not been able to for whatever reason, I'm sorry about it. But please do send it to us. I can assure you we'll try and provide a solution to you.

Yeah, last but not the least is lot of people have spoken about, I think one of the, the frauds have been very high. Yes, one of the things that you need to understand is there are frauds which have already been accounted for as NPAs. It's a sad thing that we provided loans and funding to customers, they're all reputed customers at the MSME or corporate level, when they don't deploy for business purposes as they had promised us, they divert their funds, it's a fraud. So it's double count when some of the things have already come as an NPA we also, if we find that the account has been impaired because there's been diversion of funds, we treat it as an NPA, as a fraud. So that's the reason why you see a huge or seven times increase in frauds because the significant portion of them are some of the few customers who were provided loans. We are not alone, it's a part of a consortium of banks and some of them have duped the entire consortium. We try and ensure that we have a robust early warning system and monitoring. Sometimes even some of these things are also sort of hazy, it doesn't sort of come very easy for us. So our endeavour is to see how we can spot it early. We have invested in Artificial Intelligence and Machine Learning to throw us a lot of these early warning systems and I'm sure that with time these things will be easily captured. Let me pause here. There are a lot of other small aspects of it, but I just want to sort of hand it over to Santosh Haldankar because there are a couple of legal questions on the notices which came about. If he can answer some of that and then Santosh we can hand it over to the Chairperson after that.

Mr. Santosh Haldankar- Company Secretary, HDFC Bank

Yes. Thank you sir. So there were certain queries relating to disclosures, appointments and certain agenda items of this year's AGM Notice. I'll just deal with them in brief. So there was a query of Mr. Tamal Majumder that on Page 267 of the Annual Report refund adjustment of interest on interest came to Rupees 470 crores, not disclosed to Stock Exchanges. I would like to inform that there is no disclosure requirement under Regulation 30 Schedule 3 of the SEBI LODR for this. Then second point was PDF version of Annual Report was in two pages and is difficult to read. So he has suggested for a one-page display. So I would like to say that the twopage display is opted because of some graphics spread across two pages for better representation. No doubt we have taken a note of your suggestion and we'll implement it from the next year onwards.

And there was a query from Mr. Vinayak Bapat on certain appointments of MD, Dr. Maheshwari and dividend part. So I would like to inform that MD appointment has already been done by postal ballot in December 2020. Dr. Sunita Maheshwari's appointment is being considered at this AGM sir. Special interim dividend already confirmed in the last AGM. And dividend, special dividend recommended for this year is placed for approval in this AGM notice. There was a query from Ashit Kumar Pathak to throw light on the approval being taken from shareholders for bond issue of 250,000 crores. I would like to inform sir the resolution for issue of perpetual bonds is being proposed at this AGM is only an enabling approval being sought from shareholders in accordance with the applicable regulations. This resolution is valid for the next one year from AGM meeting. And there was one query from Sharad Kumar Surekha on IEPF issue. Definitely sir we'll look into this. I'll give you a call and have this matter settled. And second was, why physical reports are not posted. So I would like to inform shareholders may note that pursuant to Circular Number 2020 and 02 dated May 5th read with Circular Number 14 2020 and Circular Number of SEBI dated May 12th respectively, the requirement of dispatching hard copy of Notice and Annual Reports are dispensed with. Accordingly, we've not dispatched any physical copies. All have been sent by email to the shareholders. That's all, sir. I hand over back to Chairperson.

Mr. Atanu Chakraborty- Chairman, HDFC Bank

Well thank you Sashi, thank you Santosh. You've handled most of the queries raised by the members in a very comprehensive fashion. Before I conclude the Annual General Meeting of the bank I reiterate that the window for voting at this meeting by the members will be available for the last 30 minutes after the conclusion of this meeting. That is subsequent to the moment we finish this meeting. I request the members who have not voted to vote before the voting window is closed. The Board of the bank has appointed Mr. B. Narasimhan, practicing Company Secretary as a scrutinizer to supervise the E-voting process. Further I authorize Shri Santosh Haldankar, the Company Secretary to declare the voting result at the earliest. The result of the E-voting along with Scrutinizer's report will be declared within two working days of the AGM and would be communicated to the Stock Exchanges and also published on the website of the bank and NSDL. I thank all the members for attending the 27th Annual General

Meeting of the bank and declare the proceedings of the AGM as closed. On behalf of the entire Board and the Management I once again appeal to the members to take care and be safe as hopefully the pandemic goes through its last throws. Thank you.

Moderator:

Thank you.

(E-Voting begins)

(END OF TRANSCRIPT)