Transcript of 19th Annual General Meeting of HDB Financial Services Limited held on Thursday, June 25, 2026

CORPORATE PARTICIPANTS:

Mr. Natarajan Srinivasan
Chairman

Mr. Adayapalam Viswanathan
Independent Director

Dr. Amla Samanta
Independent Director

Ms. Arundhati Mech
Independent Director

Mr. Jayesh Chakravarthi
Independent Director

Mr. Jayant Gokhale
Independent Director

Mr. Bhaskar Sharma
Independent Director

Mr. Jimmy Tata
Non-Executive Director

Mr. Ramesh Ganesan
Managing Director & Chief Executive Officer

Mr. Jaykumar Shah
Chief Financial Officer

Ms. Dipti Jayesh Khandelwal
Company Secretary and Head Legal

SPEAKER SHAREHOLDERS:

41 Speaker Shareholders registered
34 Speaker Shareholders attended

Ms. Dipti Jayesh Khandelwal

Good morning, members. I, Dipti Jayesh Khandelwal, Company Secretary of HDB Financial Services Limited, extend a warm welcome to all our shareholders, directors, auditors and other stakeholders joining us for the 19th Annual General Meeting of HDB Financial Services Limited. On behalf of the Board of Directors and the Senior Management team, I sincerely thank you for your continued trust, support and confidence in the Company.

In accordance with the applicable provisions of the Companies Act, 2013 read with circulars issued by the Ministry of Corporate Affairs, this Annual General Meeting is being convened through two-way video conferencing, enabling shareholders to participate and engage seamlessly from their respective locations. The Company has taken all necessary steps to facilitate shareholder participation and voting in a transparent and efficient manner. A live webcast of the proceedings is also being made available through the platform provided by NSDL for the benefits of all members.

Statutory Registers as required under the Companies Act, 2013 and all other relevant documents referred to in the Notice of the Annual General Meeting are available for inspection by the Members in electronic mode. Members desirous of inspecting these documents may send their requests to the email address mentioned in the notice of the AGM and the same shall be made available for inspection.

While we had provided remote e-voting facility to shareholders, the said facility is also available during this AGM. Shareholders who have not yet cast their vote may cast the same during the meeting. Please note that the members who have already cast their votes through remote e-voting shall not be entitled to vote again during the Meeting. The detailed procedure for e-voting has been set out in the Notice convening the AGM.

Participation of members through Video Conferencing is being reckoned for the purpose of quorum and accordingly, I wish to inform you that the requisite quorum for this AGM is present. The Annual Report for the financial year 2025-26 and the notice convening this AGM had been sent to you in advance, through permissible modes and are also available on our website. I am pleased to announce that the joint statutory auditors as well as the secretarial auditors have given unqualified reports. Accordingly, I take the said audit reports as read. With your permission, I shall also take notice of convening this meeting as read.

I now request Mr. Natarajan Srinivasan, Chairman and Independent Director to address the Members and continue the proceedings of the Meeting.

Mr. Natarajan Srinivasan

Thank you, Dipti. Good morning to all the esteemed Shareholders, fellow members of the Board and senior management of the Company. I, Natarajan Srinivasan, Chairman of HDB Financial Services Limited, extend a warm welcome to all of you, to the 19th Annual General Meeting of your Company.

May I now introduce the members of the Board and the Senior management of the Company.

- Mr. Adayapalam Viswanathan - Independent Director of the Company and Chairman of the Risk Management Committee.

- Dr. Amla Samanta - Independent Director of the Company and Chairperson of Corporate Social Responsibility & ESG Committee and Stakeholders Relationship Committee.

- Ms. Arundhati Mech - Independent Director of the Company and Chairperson of the Nomination and Remuneration Committee.
- Mr. Jayesh Chakravarthi - Independent Director of the Company and Chairman of the Information Technology Strategy Committee.
- Mr. Jayant Gokhale - Independent Director of the Company and Chairman of the Audit Committee.
- Mr. Bhaskar Sharma - Independent Director of the Company and Chairman of the Customer Service Review Committee.
- Mr. Jimmy Tata - Non-Executive Director of the Company.
- Mr. Ramesh G - Managing Director and Chief Executive Officer of the Company.

We also have with us:

- Mr. Jaykumar Shah, Chief Financial Officer of the Company.
- Representatives of Joint Statutory Auditors, M/s. Kalyaniwalla & Mistry LLP and M/s. G.D. Apte & Co.
- Representatives of M/s. N L Bhatia, Company Secretaries, Secretarial Auditor.

As confirmed by the Company Secretary, the requisite quorum for the meeting is present. With the permission of members, I am calling on the 19th Annual General Meeting to order. I thank all shareholders for joining this Meeting. The annual report together with audited financial statements and the director's report for the year ending March 31, 2026, have already been shared with you and with your permission, I shall take them as read.

I joined the Board of the Company on May 14, 2026, and my brief message to the shareholders has been circulated as part of the Annual report. I shall briefly touch upon some aspects.

FY 2025-26 was a milestone year for the Company. We completed our public listing, strengthened our capital base, expanded AUM and the loan book, improved PAT by 16.9%, and proposed a higher dividend. We remain focused on granular retail lending, disciplined underwriting, asset-quality management, digital capability and sustainable RoE improvement as IPO capital is deployed over the medium term.

The Company delivered a strong performance, surpassing the ₹1.18 trillion milestone in Assets Under Management (FY 2024-25: ₹1.07 trillion). Profit after Tax grew to ₹2,544 Crore in FY 2025-26, reflecting a year-on-year growth of 16.91%. The Company also strengthened its franchise, serving over 22.9 million customers across segments and geographies.

The Company has built a diversified and scalable business model, supported by an extensive distribution network, a customer-centric approach, robust risk management practices and technology-led processes. The Company's continued focus on prudent underwriting, portfolio quality, governance and operational discipline has contributed to the strength and resilience of its franchise.

The Company's physical presence through branches and retail distribution touchpoints is complemented by a strong digital presence, which enhances reach and execution capability. Our technology platform connects the entire lending lifecycle, including sourcing, onboarding, underwriting, collections and servicing, through integrated architecture.

The financial services sector continues to be dynamic, shaped by changing customer expectations, increasing digitalisation, regulatory developments and advances in data and technology. Institutions that combine growth ambition with strong governance, sound risk culture and long-term orientation will be best positioned to create enduring value for all stakeholders. The Company is well placed to participate meaningfully in the opportunities emerging from India's long-term growth trajectory.

The Board remains committed to supporting the management team in fostering a culture of integrity, accountability and responsible business conduct, while maintaining a focus on sustainable value creation.

On behalf of the Board of Directors and the senior management team, I would like to take this opportunity to thank the regulatory authorities, including RBI, IRDAI and SEBI for their guidance and support. I also express my sincere gratitude to all our stakeholders for their continued trust, confidence and unwavering support in all our endeavors.

Last but not the least, I thank our employees for their dedication, hard work and commitment. Their efforts have been instrumental in driving the continued evolution and success of the Company.

Now, I request Ramesh G. to brief the shareholders on performance for FY 2025-26.

Mr. Ramesh Ganesan

Thank you, Chairman Sir. Good morning, Dear Shareholders, I am pleased to share that this was a year of meaningful progress for HDB Financial Services. We scaled our franchise, stayed disciplined in execution, responded thoughtfully to a changing environment and strengthened the operating foundations of the Company.

Our journey began in 2007 as a subsidiary of HDFC Bank Limited, and today HDB Financial Services is one of India's leading non-banking financial companies, categorised as an Upper Layer NBFC. The year was also marked by a defining milestone: the successful completion of our ₹12,500 Crore IPO and our listing on the stock exchanges in July 2025.

Over the years, we have built an independently funded, strong and reliable financial institution with AAA rating for our long-term debt and bank facilities. This credibility, combined with our long operating track record and deep understanding of customer behavior, enables us to serve underbanked and underserved customers with confidence and responsibility.

India's credit opportunity continues to deepen, particularly in aspirational India, a segment that has been central to our mission. Rising formalisation, growing consumption, improving digital infrastructure, and increasing aspirations are together expanding the demand for timely, relevant, and accessible credit. We are uniquely positioned to bridge the credit gap for customers who are often at the early stages of their financial journey.

Our mission is to serve this aspirational India by delivering innovative products and services that meet the evolving needs of individual and business clients, across their life cycle. During the year, our customer franchise expanded to 22.9 Mn, growing around 2.5 times in last 4 years. At our core, we remain a retail finance company with a highly granular loan book, our top 20 customers account for just 0.3% of our AUM.

India is a heterogeneous market when it comes to consumer behavior and purchasing patterns, this is both a challenge as well as an opportunity for the company to deliver credit at scale. Our physical distribution reaches spans across 1,161 towns and cities in 31 States and Union Territories. Supporting this is our digital capability and technology tools, they enable us to customize product delivery through our approximately 39,000 sales officers and 1.6 lakh retail distribution touchpoints. This blend of physical distribution and digital infrastructure is a unique moat that enables us to become an Omni-channel player and deliver the most relevant credit solutions to our target market.

We are a truly diversified pan-India player, our physical presence and loan book represents India/ 'Bharat' as a market. Over 70%+ of our branches are in tier 4+ towns & cities and this capability is also of key value to our manufacturer partners.

Our presence has enabled steady growth in disbursements and the loan book across our three core verticals: Enterprise Lending, Asset Finance, and Consumer Finance. During the year, Assets under Management crossed ₹1.18 Tn, while disciplined operational execution led us to deliver a PAT of ₹25,438 Mn, a growth of 16.9%.

We ended FY26 with our Q4 disbursements at an all-time high, while our credit quality improved with our GNPA of 2.44% and NNPA of 1.09%. This momentum reflects both improving business conditions and our readiness to accelerate from a stronger base.

As we look ahead, we remain optimistic about the opportunities before us. Your company stands on a foundation of scale, prudence and consistency. Our strategic priorities remain clearly defined: Growth with substance, controlled credit cost and enhancing stakeholder value. We move forward with confidence, discipline and a clear strategic focus. India presents a golden opportunity for growth, and we will continue to invest in our business and address this opportunity.

Every milestone we reach is a collective effort and I am grateful to our entire team for their commitment towards building an organisation that is designed to last. I would like to thank all my colleagues, who have invested their career in a journey with HDB and all stakeholders who have supported us through the years.

Thank you.

Mr. Natarajan Srinivasan

In order to give opportunity to all the speaker shareholders who have registered themselves and in the interest of time, I humbly request the speaker shareholders to keep their comments brief and restrict their questions to the business of the Company for the financial year 2025-26 and resolutions proposed to be passed at this AGM.

We request each speaker shareholder to therefore limit their speech to three minutes please. We will respond to all the questions or queries of the shareholders at the end. If you require any further clarification or have any queries, you may get in touch with our Company Secretary, Ms. Dipti Khandelwal. I now request the moderator to kindly invite the speaker shareholders in order of their registration please.

Moderator

Thank you, Sir. I will call out the names of the speaker shareholders in the sequence of their registration. We will admit you to the meeting at your respective turn and thereafter, you may start speaking by unmuting your microphone. Request you to keep your video on as well while speaking. However, if there is any issue with internet connection or bandwidth at your end, you may switch off your video.

We shall now invite the registered speaker shareholders to express their views and raise their queries. Our first speaker shareholder is Mr. Hunny Talreja has registered however he has not joined the meeting. Hence, we will move to our next speaker shareholder, Mr. Bharat Negandhi. Mr. Bharat, please go ahead.

Mr. Bharat Negandhi

Respected Chairman, Board of Directors, and fellow shareholders, my name is Bharat Negandhi from Mumbai. First of all, I have received the Annual Report in time. The report is very beautiful, authentic, and transparent. I congratulate the Company Secretary, Dipti Khandelwal and team who sent me the physical copy to my residence address.

I have six to seven questions. Number one, the auditor's sign is April 15, 2026, but meeting will be held on June 25, 2026. Today, is more than five to six meetings are there. So, this is my humble request. You should early this meeting next time, if it is possible. Number two, what is the capex program? Number three, Sir, what is the Dividend Distribution Policy? Number four, total number of employees in the office? Number five, who is the main competitor of our business? Number six, other expenses, page number 260, legal and professional, travelling expenses, painting and stationery, rent and other administrative expenses gone up? Please give me the details?

I fully support to pass all the resolutions and wish bright and healthy future of the Company. Once again, I thank you to Dipti Khandelwal. They are very good investor service to the minority shareholders. Once again, I thank you to Madam and Company's management. Thank you. Thank you, Sir. Thank you.

Moderator

Thank you so much. Our next speaker shareholder, Ms. Lata Negandhi has registered however, she has not joined the meeting. We have our next speaker shareholder, Mr. Rishikesh Chopra. Yes, Mr. Chopra, please go ahead.

Mr. Rishi Kesh Chopra

Thank you very much. God bless you. Namaskar, Chairman Sahab, Board of Directors, Company Secretary and Moderators and all the shareholders Namaskar. My name is Rishikesh Chopra, and I am from Ghaziabad, Delhi-NCR. I have been associated with the stock market for twenty years. I hold some shares and have great faith in the Company. First of all, I sincerely thank the secretarial team and the moderator for enabling me to join the AGM from my home in Ghaziabad, despite being seventy-five years old; this has been made possible by your hard work and technology. I have received the Annual Report, and I congratulate you on the Company's growth; all information has been presented very well in accordance with SEBI guidelines.

As a shareholder, I would like to ask from the heart: why is shareholder value not being secured? The stock price is fluctuating between highs and lows, yet there is a decline. Does this income also cover the pensions and payments for us senior citizens? What is the plan to restore shareholder value, perhaps through buybacks or dividends? What is the roadmap for the next five years? What is the targeted CAGR for the 2026-2030 period? Please let us know. Sir, is the Company investing in AI-driven green energy? When will this business start generating profits? Are employees' job roles shifting due to the introduction of AI? Have they been trained in the new technology? Sir, could you please share some details about the CSR activities.

Moderator

Mr. Chopra, we are unable to hear from you now. I think we have lost the connection from Mr. Chopra. We will move to our next speaker shareholder. We have next speaker shareholder number five, Mr. Shashi Jain. Mr. Jain, you will have to unmute your microphone and your camera so that we can hear you. Yes, Mr. Jain, please go ahead.

Mr. Shashi Jain

Good morning, Sir. Thank you for letting me speak, Sir. The growth of our Company has been very good. Sir, thank you for giving me the opportunity to speak today; I would like to understand the roadmap for the next five years. Thank you, Sir.

Moderator

Thank you so much Mr. Jain. We are taking our next question from speaker shareholder number six, Mrs. Anjana and Mr. Sachin Singhal. Mr. and Mrs. Singhal, please unmute your microphone and go ahead with your question.

Mr. Sachin Singhal

Yes Sir, thank you very much to the secretarial team and the management for giving us the opportunity to speak Sir. Here are five of us in our family who are shareholders, yet only one person has been given the chance to speak, Sir. Thank you very much for this opportunity. Currently, the share is trading near its listing price; we have seen a lifetime low listing price of Rs. 555.30 and a lifetime high listing price of Rs.891.90, and the price is now gradually moving back towards that listing level.

We hope that in the future, the Company generates good profits and attracts quality investments, when middle-class invest in the Company they get good returns. Sir, what steps will the Company take regarding its competitors? Since our stock price is hovering around the listing price, please tell us what the Company plans to do to drive future growth?

Thank you, Sir.

Moderator

Thank you so much, Mr. Singhal. We will take our next speaker, shareholder number seven, Mr. Satish Shah.

Mr. Satish Shah

Good morning. Chairman Sir and other Directors. My name is Satish Shah. You explained the details of the Company very well in your chairman's speech. Sir, I would like to know what the Company's annual turnover is? I fully support the resolutions listed today; they are in the best interest of the investors. Thank you. Wish you all the best.

Moderator

Thank you, Sir. We have our next question coming in from number eight, Shrikant Jhawar. Mr. Jhawar, please unmute your microphone.

Mr. Shrikant Jhawar

Respected Chairman and all Board of Directors, Namaskar Sir. My name is Srikanth Jhawar. I am speaking from Hyderabad, Sir. First of all, thank you for your successful IPO in the market. Sir, my first question is, what are the advantages of getting from listing we want to know, Sir? Before and after the advantages, how many branches are there today and this financial, how many branches are opening we want to know and there are many competitors are there in tough competition, how to improve the customer and clients and in our balance sheet, you have taken the special resolution borrowing, it is the right time to after the listing, you are taking this resolution borrowing of Rs.1,50,000 Crores of borrowing.

Last resolution, can you give some details? And I also thank our secretarial department who sent the balance sheet on time and giving the link on a time and please remember the speaker shareholders who are attending take care of that in a festival season, Sir. Thank you and Happy Dasara and Deepavali in advance, Sir. Thank you for giving me the opportunity and please continue in a video conference meeting. Thank you.

Moderator

Thank you so much. We are moving to our next speaker shareholder number nine, Mr. Hari Ram Choudhary. Mr. Choudhary, please unmute your camera as well.

Mr. Hariram Chaudhary

Now, Mr. Chairman Shri Natarajan, Managing Director Ramesh ji and Chairman of the CSR Committee, Mr. Samant. I would like to have the attention of Dr. Samanta also because I will be speaking about CSR. First of all, I praise the services of Company Secretary Dipti Khandelwal, who is maintaining personal touch with the shareholders, and the CFO and Company Secretary for bringing out the voluminous report under the guidance of the Chairman and Managing Director. Mr. Chairman, I am a speaker shareholder at HDFC Bank for more than 15 years, and I am happy that now I am a shareholder of this Company also.

Please let us know what is the difference between the financial services given by the bank and/or IDFC? How are we different from the bank? That can be just for our knowledge and inform us and how many branches do we have in Mumbai? Now, Mr. Chairman, I am speaking from Santa Cruz, Mumbai. Please let us know some suggestions I will be giving, but about CSR, I will be thinking that how much amount we have spent for CSR, whether this amount is more than 2% of the net profit and Chairman, apart from Dr Samanta who are the other committee members that you may kindly inform us and one suggestion is that there may be a dedicated telephone for the secretary of staff for sending the messages and the festival greetings throughout the year. We can maintain a personal touch throughout the year.

Secondly, Mr. Chairman, my suggestion is that all future meetings may be in hybrid form, that means online as well as physical. Additional expenditure will be negligible. In my own Company where I am a Director, we are doing that. In High Court, it is done there. Larsen and Toubro is doing that, so please consider this and have hybrid form and about dedicated telephone, I said and now, next suggestion is that, what technology we are using? Are we using artificial intelligence? Please let us know about that? Now, we have data center in Navi Mumbai also, we will be having very soon, and Reliance has also come out very strongly, Adani has also come out in partnership with Google, both have come, so we should take advantage of artificial intelligence.

Now, are we helping those shareholders whose shares have gone to IEPF, shares as well as dividends? Who is our nodal officer and kindly let us know. Are we using solar energy and we should also help those who want to finance for solar energy. And we should also use solar energy and are we using the water harvesting? With this, I thank Mr. Chairman Natarajan, Dr. Samanta, Mr. Ramesh and Ms. Dipti Khandelwal. Thank you. My name is Hari Ram Choudhary.

Moderator

Thank you, Mr. Chaudhary. We will move to our next speaker shareholder, number 10, Mr. Himanshu Trivedi. Mr. Trivedi, you will have to unmute. Yes, please go ahead.

Mr. Himanshu Trivedi

Good morning, all of you. Respected Chairman, Natarajan Srinivasan, CEO, Ramesh Ganesan, other Board of Directors sitting by myself Himanshu Trivedi, Gujarat, from Vadodara. First, I am thankful to our Company Secretary, Dipti Khandelwal, who will be sending the soft copy of AGM Notice, which is full of information, facts, figures in place, all corporate cover in the AGM Notice. I do not have much discussion because I have full faith on Board and their work. I have already sent my questions and queries to the email well in advance to save the time of the AGM and give opportunity to my fellow shareholders.

Sir still I have few questions. What is the market share we have in domestic market? My second query who is our today as our best competitor? My third query what would be the profit-sharing ratio current financial? I wish good luck and bright future for coming financial. Sir, I requested, I have written in the mail a hard copy of AGM notice, but still the date of meeting I have not received. So please send me an AGM notice. Thank you for allowing me to speak. Thank you, Sir.

Moderator

Thank you so much. We will take our next question from number 11, Ms. Celestine Mascarenhas. Ms. Mascarenhas, please go ahead with your question now. You can unmute your microphone and camera both. We will wait for the connection from Ms. Mascarenhas. Yes, Ms. Mascarenhas, please go ahead.

Ms. Celestine Mascarenhas

Anyway, thank you very much. Respected Chairman Mr. Natarajan Srinivasan, MD and CEO, Mr. Ramesh, other honorable directors on the board, my dear fellow shareholders, I am Mrs. C. Mascarenhas speaking from Mumbai. First of all, I thank the Company Secretary, Madam Dipti Khandelwal, for sending me an Annual Report and registering me as a speaker at this first AGM, which I am very proud of after the IPO, and giving me this platform to speak. Thank you so much, especially the secretarial team and Madam Dipti Khandelwal, because I was thinking yesterday and then she told me, no, no, it is today. So, I am very happy because there was HDFC, AMC at the same time. Now, thanks to the secretarial team, there is a very good presentation of the Annual Report also. Congratulations for all the awards and accolades received which are on page 57. Also, very good CSR and ESG climate changes reported very well. I am congratulating you for listing our share on July 2, 2025, at a very good price of Rs.540 per share and listing price went up to Rs.835.

It is really kudos for us, keep it up and especially the retail shareholders, do remember us because this is the first AGM and many of us are elders, old citizens, so elderly. So now I come to the queries. We are in 31 states and union territories and have 1,730 branches. How many more are to be opened, especially in the rural sector? We have 88,162 employees. What is the male to female ratio, average age, physically challenged, mentally challenged and attrition level? It is so great. It is an employment generating Company by looking at the number of employees, I am very, very happy with it. I would like to know what the ticket size loan is? Do we lend for SME and what rate of interest? Do we give a loan against, because that is the most popular loan now, gold loans? What is the rate of interest and where is it more popular, in the rural areas, in the small places, in the villages, or it is in the urban areas? Now today Reserve Bank has come with some benefits for upper layer NBFC.

Would we be treated with that or how many years will it take for us to come into that upper layer NBFC because a lot of NBFC suddenly has become very bullish? How much of our business in percentage is in financial inclusions? I do not ask for the figures. Then also we do business, indirect business to HDFC Life, ERGO, Digital Co, and AIG. How much we get percentage revenue from these? The rest, future roadmap which vertical will be the growth engine, whether app or actual branch business and which will give the maximum revenue and margins? With this, I support all the resolutions. I wish my Company all the best. May it grow from strength to strength? Thank you very much. I especially wish your entire team, HDB Financial, very good health, as health is wealth. So, with this, thank you very much and namaskar.

Moderator

Thank you so much, Ms. Mascarenhas. We will move to our next speaker shareholder, number 12, Rajesh Chainani.

Mr. Rajesh Chainani

Respected Chairman Natarajan Srinivasan, MD and CEO Ramesh, and a very highly eminent Board of Directors, fellow shareholders, I am Rajesh Chainani, and I am speaking for my residence in Vile Parle, Mumbai. First, I thank our Company Secretary, Ms. Dipti Khandelwal, for sending me the physical copy of the Annual Report very well on time, which is full of facts and figures in place. Sir, it is a 325 pages Annual Report. So, every minute details have been covered, Sir and I have gone through your message also in the report, Sir and I thank you for the dividend of Rs.2.

Sir, I am a very long, long shareholder of HDFC Bank, AMC, all the HDFC group I am holding, Sir. So, because the stock was trading at Rs.890 also, but I did not sell because I am a long-term investor and I know the fruits given by the HDFC group, Sir and Sir, under your leadership, I have full confidence that we will go much, much ahead, Sir. And page number 15, 16, 17, the five years' financial highlights are very well presented, Sir. With this, Sir, I have supported all the resolutions, and I wish you and the team for the coming festival, Sir. Thank you very much for giving me the opportunity to speak, Sir. Thank you.

Moderator

Thank you, Mr. Chainani. We are moving to our next speaker shareholder, Ms. Lekha Shah, number 13.

Ms. Lekha Shah

Thank you, Sir. Respected Chairman Sir, Board of Directors and my fellow members, good morning and regards to everyone. Myself, Lekha Shah and I am joining this meeting from Mumbai. On this landmark day, I would like to welcome all the Directors and employees on behalf of all the shareholders present here. At the outset, I would like to sincerely thank our Company secretary Dipti madam for sending the AGM notice well in advance. I found the AGM Notice and I am delighted to say it is so beautiful, full of colors, comprehensive, informative and enriched with value facts and pictures s in place. I am proud to be a shareholder of this Company.

Chairman Sir, the opening remarks are insightful and comprehensive that you have already addressed everything I had in mind. Sir, I would like to thank all the people of the Company for receiving awards and recognition won during the year 2025 and 2026. And I am glad the Company is doing very well in the field of CSR activities. Sir, I would like to ask few questions. My first question is, how is the Company managing asset quality and controlling NPA in the current economic environment? My second question is what steps are being taken to improve profitability and reduce the cost of funds. Chairman Sir, I hope the Company will continue video conference meeting in future. So, I would like to say, I strongly and wholeheartedly extend my support to all the resolutions made before the meeting today. Thank you, Chairman Sir.

Moderator

Thank you so much, Ms. Shah. We are moving to our next speaker, shareholder number 14, Yusuf Yunus Rangwala. Mr. Rangwala, please go ahead.

Ms. Yusuf Yunus Rangwala

Very Good Morning, Sir. Can you hear my voice? Sir, the public issue you gave at 540, now the market rate is 835,.so we have around 18,000 employees? We have around 1,037 branches as you mentioned, and we had after the public issue listing; we are meeting for the first time that is I am very happy with our Dipti madam and her team in especially calling us because today there are so many meetings. I left all the meetings.

I am very fond of your Company You are one of the excellent Company and this is HDFC Group Company, Sir the group Company HDFC. I am very happy with this bank HDFC Sir, nothing more to add. Phoolon Ki Khushbu Kaliyon Ki Bahar Aur Aap Ke Saat Hum Rahaae, sir. Wishing you good luck and at the time of any festival please keep it in mind Sir. Thank you very much Sir. Do not forget us. Thank you, Sir.

Moderator

Thank you so much Mr. Rangwala. We are moving to our next speaker shareholder number 15, Mr. Sarvjeet Singh. Mr. Singh, please unmute.

Mr. Sarvjeet Singh

Chairman Sir, first of all, good afternoon to you, all the Board of Directors, all the staff of HDB Financial Limited and our fellow shareholders. Regarding what was shared about our Company, I note that the promoter holding stands at 74%, reflecting the promoters' complete confidence in the Company. Furthermore, Mr. Chairman, you provide us with dividends from time to time, Rs.2 last year and Rs.2 this year as well. I would like to know about our future roadmap, specifically how many new branches we plan to open? Finally, I wish to thank the Company Secretary and their entire team for giving me the opportunity to speak here today. Thank you, Sir. Thank you so much.

Moderator

Thank you so much. We have our next speaker shareholder number 17 Manoj Kumar Gupta. Mr. Gupta please switch on your camera as well.

Mr. Manoj Kumar Gupta

Good morning. Respected Chairman, Board of Directors and fellow shareholders my name is Manoj Kumar Gupta. I joined this meeting from my residence city of joy Kolkata. I feel proud to be a shareholder of HDFC Group because this Company has also come out from the HDFC Group and whenever I attend any AGM of the HDFC group, I feel proud and I admire our icon, Shri Deepak Parekh. We cannot forget his contribution to the country in every aspect because we cannot forget that day when our beloved Prime Minister Bharat Ratna, Atal Bihari Vajpayee called him to save UTI under a scheme of master share. So, we cannot forget his contribution to every aspect of the country's revenue, GDP and employment and, Sir, thanks to you and your entire management team for the good result of the Company for the year 2025-26.

When do you expect to return to the investors because you have issued the shares. Some shareholders say you have issued the shares of Rs.550, but you have issued the share at Rs.740. After that, shares have gone near Rs.520, so when can we expect that our share price will be in four digits, and we will get good return on our investment? This is the first Company under the umbrella of HDFC Group that investors have burned their fingers. So, when will they get good return? Have you any plans to reward them by the way of rights or bonuses so that they can fulfill their losses, their fees by the way of IPO? So, what is your plan? And Sir, how much loan is infused in the market and the average rate of interest on our loan? And which vertical will be success of our Company, either online or physical mode? Which vertical will you prefer in coming time that the business will be a success on this vertical, can you throw some light? And what do you prefer for the housing loan, that average rate of interest on the housing loan?

Because now our beloved Prime Minister and Finance Minister are saying and asking the people, financers and financial arms, that give a loan to the housing loan and a subsidy rate, what is the average rate of interest on housing loan? Can you throw some light? And what is your future prospect in that regard in the finance business and financial services business in the country, because this is the first Company in the country after the merger of HDFC with HDFC Bank, then the HDFC Bank has demerged this Company and listed in the stock market. So kindly throw some light and have you any plan to float any other issue in the market under the arm of HDB Financial Services in near future to list in the stock market? And Sir, last but least, I am very sorry to inform you that you are our chairman, you are our admirer and principal.

I always respect to the Chairman, but I am surprised to see that I have registered myself as a speaker start 9'o clock on June 20, 2026, but my number has come on 17. So, I have registered myself in Adani, Birla, Tata Group on the same day on 21st June 2026, my registration number was 34, but I was surprised to see your secretarial department services, they kept number 17. This is such type of fast technology not in the country that within 10 seconds or 15 seconds, a Company can get 40 requests or 30 requests. So kindly check this and keep some transparency and ask the secretarial department do not partially deal with the investors. That is, they give preference to the Mumbai based shareholder first, then Kolkata based shareholder or another regional based shareholder. This is not fair under your leadership. First come, first serve basis that should follow in the Company as per the guidelines by the MCA during the epidemic COVID19 and keep continuing the VC meeting so that we can attend the VC meeting but ask the secretarial department do not show partiality. With this I thank you Sir, thank you.

Moderator

Thank you so much. We had number 16 Ms. Ashika Talreja as a speaker shareholder who had registered however she has not joined the meeting. We will move to number 18 Ms. Kanika Jain. Ms. Jain, please unmute your microphone.

Ms. Kanika Jain

Good morning CMD Sir, Board of Directors and the members attending this meeting at this quarter. An excellent speech given by CMD Sir wherein he has informed us about the planning of the Company and as already discussed the issue price and market price. Now my question is how would you reward the retail shareholders in the coming days and whether other of my questions have already been discussed by the previous shareholders? So, no question. In the end, I would like to convey my thanks to the CS madam, Madam Dipti, and her entire team for providing the copy of annual report at my single request and helping me to join at this virtual platform and also for following the good corporate governance. Thank you so much, Sir, and all the best.

Moderator

Thank you, Ms. Jain. Our next speaker, shareholder number 19, Mr. Om Prakash Kejriwal. Mr. Kejriwal, please accept the prompt that we have sent on your screen. Yes, you can unmute your microphone and camera both so that we can hear and see you. Please go ahead.

Mr. Om Prakash Kejriwal

Thank you, moderator. Thank you. Good morning, Sir and good morning, everybody attending this AGM. Myself, Om Prakash Kejriwal, your equity shareholder from Kolkata. Thank you, Sir, for providing the platform to speak something before you. Thanks to our secretarial department, especially Dipti madam, for calling me and taking me. Sir ji, this is my first AGM, and I am joining this AGM only due to virtual. So, if possible, please follow this virtual AGM in next year also, so that more and more investors could participate from different parts of the world and express their views and Company could take benefit from their views.

Sir ji, I want to thank you people for two things. First, finalizing the account within 15 days, that is on April 15, 2026, despite difficult business environment all over the world. Second, for giving Rs.2 interim dividend plus Rs.2 final, means total Rs.4 dividend out of Rs.30.97 EPS on face value of Rs.10. Though it is too little, Sir, only 12.91% distribution of net profit. Please increase this distribution so that more investors can enter into our Company. Sir, this is first AGM after listing on July 2, 2025. I was allotted IPO at the rate of Rs.740 per share, but Sir, there is no appreciation. In fact, there is a depreciation and dividend only Rs.4. It means negative return. This type of return is not expected from HDFC group. It means our IPO price was higher. It means you should compensate the investor by issuing bonus shares or right shares at a nominal premium.

We have reserve of Rs.19,834 Crores against equity of Rs.830 Crores. So, you can easily issue bonus shares. Sir, you have few reports also. Since we have no subsidiary, no joint venture, no associates, then why are we writing in our notice, submission of audited standalone results. It creates confusion, Sir. So please delete the word standalone. Second, what is the holding of foreign investors in percentage terms in our Company? Third one, what is your expectation in loan growth for current financial year? Fourth one, what is your expectation for interest rate, whether it will increase in coming days? So, we have a few requests for CSR committee.

Please use some CSR funds to provide drinking water near our offices and near our branches and nearby villages. Second request, please use some of CSR fund in skill development to make our country a developed country. Sir, we have a few requests also. Please do remember the speaker shareholder at the time of festivals in the same manner as you remember your friends and relatives. At last, Sir, please maintain your smile and be cheerful. We are always with you as a long-term investor. Thank you. Thank you, Sir.

Moderator

Thank you so much, Mr. Kejriwal. Our next shareholder, number 20, Mr. Anil Mehta, will ask his question. Mr. Mehta, please go ahead.

Mr. Anil Mehta

Thank you. Good morning, this is Anil Mehta. I attend this AGM from my residence, Kandivali, Mumbai. Sir, from our side, only one question, looking at the global situation, how much growth can we expect and how much will it affect our revenue and the bottom line in the current FY 2026-27? With this, we are as a shareholder supporting all the resolutions and thank the secretarial department for their co-operation and support and all the best for the bright future of our Company. Thank you, Sir.

Moderator

Thank you so much, Mr. Mehta. We have number 21, Nalin Shah, who will be asking the question. Mr. Shah, please go ahead. Please unmute your microphone.

Mr. Nalin Shah

Very good afternoon, Sir. This is Nalin Shah. I am joining Mumbai, my office at Nariman Point. I would like to thank the entire management, Mr. Chairman, for giving us this opportunity of presenting our views as well as the queries at the right time. I would like to say that we are disappointed with the pathetic performance of HDB Financial Services in last even if I see 5 to 10 years the performance has been nothing but very pathetic. I think there has been so much wealth destruction in the Company that we do not know why this has happened like this. First and foremost, let me just remind, because we have been dealing with the shares of HDB since it was an unlisted share in the year 2018-2019 onwards also and that time also, your price was much better than what it is today. If I see similarly, the HDB Financial Services more or less was in comparison with the Bajaj Finance.

Today when I see Bajaj Finance is having a market cap in excess of Rs.6,20,000 Crores whereas our market cap remained only at Rs.60,000 Crores. We are just 10% of Bajaj Finance which itself shows wherever we landed up. Secondly, if you see, we had the news item that some Japanese Company was willing to invest, and it had appeared that they are willing to take some Rs.20,000 Crores or something. They were willing to invest 20% stake in the Company. That time, after some time, we got this thing that board has rejected the proposition and we are not allotting them anything. Subsequently, when we thought that the price would be, IPO price would be much better than even Rs.1200 or so which they were willing to pay, but to our surprise, your IPO price came at Rs.740 and then went down to Rs.640 also. So, this is a huge destruction, and I will point out to you that on all parameters, our performance has been really, really very pathetic. I do not know what the reason for that is. We would like to hear from you. When I see your ranking with Bajaj Finance today as a return on equity of 20%, whereas our return on equity is only 13.9%.

Their AUM is Rs.5,09,000 Crores, as against which their market cap is Rs.6,22,000 Crores, which means they are commanding a market cap at 122% of the AUM and look at our AUM at Rs.1,18,000 Crores, and our market cap is at Rs.60,000 Crores, which means we are only again 51% of our AUM, our market cap is much, much lower than even our AUM less than even 50%. So, on all counts, it appears that there is something wrong. Either we, I think we had merged long back some Company with the HDB Financial Services in the year maybe 2018 or something and that has, I think, increased our manpower count and everything. Whereas, in all the parameters, our performance has started deteriorating from that date and Bajaj Finance, which was in FY2024 to FY2026, if I take it, their profits have moved up from Rs.14,400 Crores to Rs.19,400 Crores, which is a 35% jump in three years' time. Whereas in our case, it has moved up only from Rs.2,461 Crores to Rs.2,544 Crores, which is hardly, I think, maybe even 1% or 2%, maybe kind of a growth.

So I would like to understand from you that what is the reason and this is that you have also the equally same brand value as Bajaj and you can also raise the money at the same rate as Bajaj or maybe even better than that and in spite of that we are not able to expand our book, we are not able to show our performance and even in the unlisted market I can tell you Sir that we had done the transactions at a price of Rs.1250 to Rs.1300 and today it is almost 50% after so many years. So really, really, I think the investors have really destroyed money. Their wealth has been destroyed. Even, I would say, in terms of our dividend payout, I would think we are very, very pathetic.

Today, the size of the companies and reputation does not talk of anything less than 100%, 200%, 250% dividend and we are talking of only 20% and 40% dividend. So, this is something seriously wrong and we would like to understand your strategy. How do you propose to turn around the Company and come out with flying colors once again in line with the reputation of the HDFC Bank. Thank you very much, Sir.

Moderator

Thank you so much, Mr. Shah. Our next speaker, shareholder number 22, Mr. Rajendra Sheth will ask his question.

Mr. Rajendra Sheth

Chairman Sir, management team, shareholder, I am Rajendra Seth from Thane Maharashtra. Chairman Sir, you presented the speech and explained the balance sheet very well. To begin with, I would like to say that our Company should not engage in competition with other companies, that is my personal view.

In my opinion, the Company's results are excellent, and the dividend is good too. Chairman Sir, may the Company continue to progress under your guidance. The group is doing very well. I reiterate my full support for the resolutions. I also wish to thank the secretarial team; they have done a great job and ensured that the notice and balance sheet reached us on time. Thank you for giving me the opportunity to speak. Thank you.

Moderator

Thank you so much, Mr. Sheth. We are moving to our next speaker shareholder, number 23, Sonakshi Sarangi. We will wait for the connection. Yes, Ms. Sarangi, please go ahead. Please go ahead, Madam.

Ms. Sonaxi Sarangi

Chairman, esteemed board members and my fellow shareholders, I am Sonakshi Sarangi, a shareholder from Bengaluru. First, I would like to thank the Board and the management team for their continued efforts and dedication in steering the Company through a dynamic business environment. I have a couple of questions for you, Sir.

Firstly, what are the key ESG goals for the next three years and how is the Company tracking progress against them? The second one would be, what specific initiatives are being undertaken to increase gender diversity, particularly in senior leadership positions? I wish the Board, management team, and all employees continued success and a great year ahead. Thank you so much.

Moderator

Thank you so much, Ms. Sarangi. We will take our next question from number 24, Santosh Kumar Saraf. Mr. Saraf, please accept the prompt that is sent to your screen. We will wait for the connection from Mr. Saraf. Yes, Mr. Saraf, please go ahead.

Mr. Santosh Kumar Saraf

Honorable Chairperson, distinguished members present and greetings to all the officials present and employees; this is Santhosh Kumar from Kolkata. I hope you are all in good health, Sir. I would like to express my appreciation for the excellent balance sheet provided. I also want to thank Company Secretary Dipti for keeping us informed and maintaining contact. Sir, I had requested a physical copy of the balance sheet several times, as I am 78 years old and have failing eyesight, reading on a laptop is very difficult for me, so please do send a physical copy. You send them to the Bombay shareholders but treat Kolkata as an enemy; this is not right, as the Kolkata-based individuals are also your shareholders. I have four questions. I will ask them in English for the sake of clarity. First, how is success measured? Second, Sir, what factor could prevent the Company from achieving the growth target over the next three years. Next, Sir, how does management balance rapid growth while maintaining asset quality. Fourth, what is the expected substantial ROE for HDFC over full business circle, Sir, I wish all of you the FY2027 and hope God kept you healthy, wealthy, prosperous and safety Sir I request you go with VC. Thank you, Sir. Namaskar, Ram, Ram.

Moderator

Thank you so much, Mr. Sourav. We have our next speaker shareholder No. 25, Mr. Murlidhar Talreja. Mr. Talreja, please go ahead. Yes, Sir, please go ahead with your question now.

Mr. Murlidhar Talreja

Chairman and Company Secretary. This is Murlidhar speaking from Delhi. I have full faith in the Chairman that the Company will progress; I also have complete confidence in the Company's staff. I vote in favor of the Company's resolutions. I wish the Company well and hope it declares a good dividend. Although I could not get in touch with Ashika Talreja, I am voting in favor of all the resolutions on her behalf as well. Thank you.

Moderator

Thank you so much, Sir. We will have our next speaker shareholder number 26 Mr. Praveen Kumar.

Mr. Praveen Kumar

Very, very good afternoon to my respected Chairperson, respected Board of Directors, my fellow shareholder, myself, Praveen Kumar, joining this meeting from New Delhi. Three observations which I would love to share with the entire house, but before that, Sir, after our initial public offering success, and in this new financial year, this is our first interaction with the management. So, I wish the entire management team, each and every dedicated employee of our Company, a happy, healthy, and prosperous future. Coming down to my observations,

Sir, very, very in-depth, addressed to the shareholder in a very, very easy to understand language, and a Company which is from the house of HDFC, great respect, Sir. Deepest respect for the entire management team. Truly, truly salute your leadership, dedication, and devotion. If you see the last two, three years that will be challenging for each and every Company, home front, worldwide also. War is going on around the world and if you see our respected PM, Narendra Modi, he requested seven steps to curb those things. I think the social and economic impact will be huge if you see that in percentage terms also. But if you see our results, that will be more than satisfying and due respect to my earlier speaker, there was very, very healthy Q&A session. So, I do not want to repeat that. But yes, I have great faith in your leadership, dedication, devotion to bringing sustainable value creation for a retail investor like me.

I am here for the long term, a very, very long term, Sir. I am holding HDFC Bank Share also, HDFC Life, HDFC AMC. My whole family invested our hard money in group companies because yes, this is something which we will preserve for life, and it will pass on generation to generation because you earn that respect in the markets. I wholeheartedly support all the resolutions which you set up for the office today and one more thing which I would love to address here is the retail investor is the pillar of any Company and the communication of any listed entity with its retail investor is the real litmus test. In this regard, I would love to thank our respected Company Secretary Madam and her entire team. Mark my words she is the biggest asset Sir. I mean, she called before AGM and checked everything thoroughly; there were no technical issues, and she asked for a demonstration. That is truly something maintaining high standard of corporate governance and I live in New Delhi.

I requested a hard copy of it and that will be delivered to me on time. I mean, this is something which I truly respect that and respected CFO, along with his team, make this annual report very, very easy, self-explanatory statement to understand by a retail investor. So, our respective CFOs, CAs, they are the biggest asset, mark my words and for the future, I just pray to the God that he will bless you with all the positivity so that you will take the momentum of creating sustainable value creation for a retail investor like me, Sir and thank you very much for the opportunity. Jai Hind, Sir. Jai Hind.

Moderator

Thank you so much. We will take our next question from number 27, Ankur Chanda. Please go ahead with your question now. Mr. Ankur Chanda, please unmute your microphone.

Mr. Ankur Chanda

Good afternoon, everyone. We have been trading consistently below our IPO price for quite some time now. Sir, how is the valuation determined? Our Company is being compared with others based on metrics like net worth; how exactly are we managing this? How will we deliver returns to the shareholders? Because, while those who invested in the IPO saw a listing, the stock has been on a continuous downward trend since then, we haven't recovered yet. I have some more questions, and despite a year of operations and strong backing from the promoter, why has the management not delivered better growth in shareholders' value?

Rising competition, pressure on margins, and concerns about asset quality continue to worry investors. Is the board truly satisfied with the Company's performance, or does it believe shareholders should simply accept average results while management continues to draw high compensation? What accountability measure will be taken if the Company failed to meet its started growth and profitability target for the next few years, sir tell something about that. When will we get the value for our price? Thank you.

Moderator

Thank you so much. Our next speaker shareholder, number 28, Sushma Chanda, has registered, however, she has not joined the meeting. Also, number 29, Sunil Batra, has not joined the meeting. Number 30, Dr. Arun Kumar Boppana, has also not joined the meeting. Our next speaker shareholder, number 31, Tamal Kumar Majumdar, has not joined the meeting. We have number 32, Asok Subrahmanyam. Mr. Subrahmanyam, you can go ahead with your question now. Yes, Mr. Subrahmanyam, please go ahead. We are unable to hear you, Mr. Subrahmanyam. Can you try one more time? It seems we do not have any response from Mr. Subrahmanyam. We will move to our next speaker shareholder, number 33, Manjit Singh. Mr. Singh, please unmute your microphone.

Mr. Manjit Singh

Good afternoon, Chairman, Board of Directors and my co-fellow shareholder. Sir, my only question is what is the roadmap for the next 24 months of the Company? Thank you, Sir.

Moderator

Thank you so much. We will take our next question from number 34, Mr. Sandeep Kumar. Mr. Kumar, please go ahead.

Mr. Sandeep Kumar

Sir I would like to raise a question on behalf of some shareholders. How is the Company operating, given that IPOs are being launched at such low valuations while our share price isn't rising? What kind of management is in place, and which policies are flawed? Investors are staying away from our stock; they aren't showing interest.

An investor buys shares when they trust the management, trusting that the management is working effectively to drive growth. Is something going wrong here? HDFC faced some issues with its management; a similar situation shouldn't happen here, or else shareholders will leave. Please address this. If any policies are flawed, correct them and deliver returns to the shareholders. Thank you.

Moderator

Thank you so much, Sir. We will take our next question from number 35, Ms. Bharti Saraf. Ms. Saraf, please go ahead. Please go ahead with your question.

Ms. Bharti Saraf

Board members and my fellow shareholders, I am Bharti Saraf, a shareholder from Kolkata. At the outset, I would like to express my appreciation to the board and the management team for their consistent commitment and hard work in navigating the Company through an evolving business landscape.

Sir, I have just one question for you. The question is, what are the primary areas where the Company plans to invest its capital expenditure in the current financial year? Lastly, I would like to extend my best wishes to the board, management, and all the employees for continued success. Have a great year ahead. Thank you.

Moderator

Thank you so much. We are taking our next question from number 36, Mr. Jaydeep Bakshi. Mr. Bakshi, please go ahead.3

Mr. Jaydip Bakshi

Yes, very good afternoon, Chairman, MD, Board of Directors, and CFO, myself, Jaydeep Bakshi, connecting from the city of Kolkata. First of all, I convey my thanks to our Company's secretary, Dipti Madam, for giving me an opportunity to express my view and so to the entire secretarial team for making repeated phone calls to us and to our moderator for conducting this video conference in a smooth manner. Sir, we are meeting for the first time post IPO, and your initial speeches were very interesting to hear, and were shared about our Company's affairs. On this line, we just want to know, we have three verticals from which we have earned the most margins. Can we share that and this credit quality improvement in future what is our thought process kindly share that and optimistic opportunity in front of us with the strategic focus in the market, so what is our thought regarding this also kindly share. That is all from my side and wish the Company all the best and come out with much better results in the coming years and continue with the VC in future and Sir request a hard copy of the annual report that will be very fine for us. Thank you, Sir.

Moderator

Thank you so much, Mr. Bakshi. We have our next speaker, shareholder number 37, Mr. Gautam Tiwari. Mr. Tiwari, please unmute your microphone.

Mr. Gautam Tiwari

Thank you very much, Sir. Thank you very much, because I am attending with my mobile. Sir first of all, I would like to say that our honorable Chairman, Mr. Natarajan Srinivasan, who is there with us right from 2026, Jaykumar Shah, our CFO, Ramesh Ganesan, MD & CEO, other directors, our CS Dipti Jayesh Khandelwalji, and her team. Good afternoon to all of you and very, very warm welcome. This is my first meeting after listing and I am very excited. Sir actually all the Company HDFC of have given good returns, right from beginning, parent Company all group companies, for the past two to three years it is not good I am very sure it will pick up and it will give proper returns and good rewards to shareholders in the days to come. Sir, our chairman's opening speech was very good, very knowledgeable and very impressive. Thank you for that. Sir, Dipti Khandelwal's investor care, investor service is exceptionally outstanding.

I would like to request Dipti, please send me the physical hard copy along with the notice to me and she is very polite, very much helpful, cordial, harmonious, humble with due care and hospitality she treats each and every investor and none of the investors any problem remains unsolved or unresolved in her category for which we are very much thankful to this secretarial team overall. Sir, I am a regular shareholder and a strong supporter right from day one in the HDFC's parent Company and all its group companies also and as usual I support all resolutions and appointments of reappointments of all directors if at all there is any. Sir, I would like to only know a few things Sir. I am very much support you and I am very sure in the days to come, we have all expert management group, no need to worry, wherever we are having shortfall, we are having lag I am very sure in a few months or in a year or two, we are going to come up and you will be able to reward shareholders. Sir, who is our main competitor with us? Of course, that is another question. Sir, our lifetime high 891. I think we will touch it soon; IPO price was low 590. Sir, how do you use artificial intelligence and rainwater harvesting and solar energy for improving our revenue and profitability? Sir, what is our market share and male to female ratio of our employees. Sir, what is the attrition rate of our top cadre employees, and which vertically do you think is going to give us the maximum revenue and profitability in the coming years?

And Sir, the most important thing is how are you going to reward the shareholders by doing stock split or bonus share to of course very far and stock split or what or you can give Sir unconvertible, debentures or some 0% interest and after it sometime you can convert them with some premium to shares as Hindustan Lever is being. It is all right and Sir, what is your ESG Company's ESG goal in future within a year or two? Sir, as it is, the things I am very much proud of you are and very much confident that the Company will certainly come to its proper level because we have got excellent management team and you have all expertise. I am very sure each shareholder and stakeholder is going to get satisfied by the Company in the coming years. As it is, Sir, at the end I would like to wish, Sir, for you the Din Be Din Aap Se Sabhi Kushiyan Ho Jaye Double, Ab Sab Se Dur Rahe Trouble, and God bless you all and all the days in coming year is good. Phoolon Ki Khushbu Kaliyon Ki Bahar Mousam Ki Hein Kushan Wal Rangeen Bahun Parmatma Aap Sabi Ke De Safalata Baar Baar Lagtar. I wish for all the festivals. I wish you once again all the best. Namaste. Jai Hind and Vande Mataram and here is a strong salute to you. Thank you very much, Sir.

Moderator

Thank you so much, Mr. Tiwari. We will move to our next speaker, shareholder number 38, Mr. Pramod Kumar Jain.

Mr. Pramod Kumar Jain

Namaskar I am Pramod Jain from Delhi. I extend my heartfelt thanks to the Board of Directors and the Chairman for giving me the opportunity to speak at this event. All other shareholders have said everything; I do not have need to speak. I wish that our Company shines under your leadership. Just wanted to know, we brought an IPO of Rs. 740, why did you not invest the money for the purpose it was bought? Also tell us why our share is going on discount. If it was running on discount then you could have bought a cheap IPO, why did you bring an expensive IPO?

Few shareholders told me that you could have got a physical copy, why are you spending it on physical copy. Who reads such big booklets? We are spending time on post. Sir, it is happening online, so why are you asking for a copy online, send the Annual Report. Sir, registration begins on June 21st, I registered at 9:08 am, but my number is 38, so does 37 registered in eight minutes? Company secretary should think about that. Whoever sends the request first, they should be given priority. Keep this matter in mind. Thank you.

Moderator

Thank you. We are moving to our next speaker shareholder, number 39 Mr. Sanjog Saraf. Please go ahead.

Mr. Sanjog Saraf

My name is Sanjay Saraf. Last night, I sent my question to Secretary, hope she received. My question was regarding what subsidy competition advantages does Company have that competitor may be find difficulty to replicate. Over next five years, what mixed growth versus probability in management targeting? Which business segment currently offers highest risk yet to return? Thank you, Sir.

Moderator

Thank you, Mr. Sanjog Saraf. Our next speaker shareholder number 40, Santosh Kumar Saraf HUF. Please unmute your microphone and you can go ahead. Please go ahead, Sir.

Mr. Santosh Kumar Saraf HUF

I am Santosh Kumar Saraf from HUF. I sent my questions last night, I hope you have received them, please answer them. Jai Bharat. Namaskar.

Moderator

Thank you very much. We will have our last speaker shareholder now, number 41, Mr. Gaurav Kumar Singh. Mr. Singh, please go ahead.

Mr. Gaurav Kumar Singh

Thank you so much. Respected Chairman, Sir, Board of Directors and fellow shareholders good afternoon to all of you. Myself Gaurav Kumar Singh, running this agent from New Value. First, I would like to thank the management for giving me the opportunity to express my views on this platform. My question to the management is how many new customer acquisitions are coming through digital channels and what investments are planned to strengthen direct online channels? And the second is, so how many legal cases on our Company and what steps are being taken to reduce them? Sir, as far as the agenda of this agenda is concerned, I support all the resolutions, and I also wish to thank our Company Secretary and her entire secretarial team for maintaining high standard of corporate governance. In the end, I wish a bright future for the Company and a good health for all of you. Thank you, Sir.

Moderator

Thank you so much, Mr. Singh, for your valuable comments and queries. We have received all the comments, suggestions, and queries from the speaker shareholders now. Over to you, Chairman Sir, for further proceedings.

Mr. Natarajan Srinivasan

Thank you, all shareholders who participated in today's meeting and shared your valuable views, suggestions, and questions. We highly appreciate your continued interest in the affairs and progress of the Company. I would answer some of the general questions and then request my colleague and MD and CEO Mr. Ramesh to answer some of the operational questions raised by you. A lot of shareholders appreciated the efforts and the progress made by the Company and then complimented the management and the board. I really thank each one of you for your appreciation. It will motivate the team to do better.

At the same time, some shareholders also expressed disappointment over the IPO price and the current market price and why the market price has not moved up. I would like to submit that market price depends on, as you all aware, on several factors. We cannot comment or predict on market price and market price behavior, but all that I can say, and you can be rest assured that the Company has a very strong parent and it has a very strong board and a very committed management team. You can be rest assured that we will run the Company very prudently and build long-term value for the shareholders. That much assurance I want to give you on behalf of the board and the management team.

Second, there were also questions about the outlook for the current year. As you know, in the recent few years, I have not seen this kind of uncertainty as it exists today. While there seems to be some silver lining on the end of West Asia war, there have been several numerous articles from the adverse effects that it can have on the Indian economy and then more than the war, there is also the El Nino the likely failure of monsoon. Therefore, the current year is likely to have a lot of uncertainties. We need to tread, make our moves very cautiously. Well, I am not trying to be pessimistic, but I would like to be cautious because of the several uncertainties that are likely to plague the Indian economy and every industry, including the NBFC sector.

And there was a question about the interest rate outlook, very difficult to make any guess. While the situation right now has improved a bit because of the several moves taken by the Reserve Bank of India to arrest the rupee falling and then also bringing in a lot of foreign currency and things like that, but recently also RBI Governor has gone on record that it is a little early to talk about any rate hike. So, we will have to watch the situation and take things as they are. There are also questions about dividend. Dividend your Company has a dividend policy and then the board will take a considered view and then we will follow a consistent dividend policy. As you know, money is raw material for this business. When considering dividends, we will take into account all the factors.

With that, I will request my colleague, Mr. Ramesh to answer other operating questions.

Mr. Ramesh Ganesan

Thank you, Sir. Thank you very much to all of you who have joined the meeting today. You got very valuable input and for us as management, it is a great opportunity to listen to one of our key stakeholders, which is our shareholders. So, all your suggestions and comments are noted, and I assure you that as management, we will make sure that we work on them as we progress through the year.

There are quite a few questions about who is our competition, and we set up this Company in 2007 to really address a segment of India that we call aspirational India and we said that India is a growth market. There will be a lot of people who will come out of poverty and move to the middle income and upper middle income. A key aspect of growth for a lot of people is access to credit and access to credit at a reasonable price and so that was really the basis on which we set up the Company and have been running the Company ever since. As you may have noticed that we have now 22 million customers, all organically originated by the Company. So, for that, we had to invest in distribution, which we did.

We had to invest in technology, which we have done. So, for us, when we think about competition, it is about how do we make sure that we are reaching as many Indians as possible and delivering credit which is relevant to them at the right price and helps them through their lifecycle. And our product development strategy over the years has been to make sure that we address that requirement. Broadly, when we look at daily use of credit, we face competition from banks, we face competition in NBFCs, we face competition from the informal credit sector, but historically, our focus has been on making sure that we're getting as many customers as possible and so our whole philosophy has been widening the funnel, making sure that we are really reaching out to India and saying, what there is access to formal credit at a reasonable price and really converting a lot of people who otherwise relied on informal credit as a source of funding and any business or any individual for them, in their career, at various points of time, they might need credit.

We are saying, how do we make sure that we have the relevant product and service and the relevant engagement to make sure that we are present and delivering credit appropriately? So, our capex investment is broadly in four areas. The first is in technology. Having presence in 1,200 cities with 1,700 branches and servicing 22 million customers require substantial investment in technology. One of the propositions that we have as a Company is that whether it is a market like Mumbai or a market, which is a tier 5 or tier 6 town in India, we make sure that our response time to a customer, whether it is a query raised by a customer, or whether it is a loan request, we take just approximately the same amount of time whether the customer lives in a metro market or lives in a tier 5, tier 6 town or a rural market. So that is our proposition as a Company. So, we make sure that the customer, irrespective of where he lives or where she lives, gets access to credit at the most appropriate price and as quickly as possible. So that is the investment that we have made. So broadly, our capex investment happens in technology, it happens in distribution, and it happens in our products.

We also make substantial investment in making sure that our people are well trained, they are able to serve as our customers, understand and serve our customers' requirements well in time. So those are the four areas in which we do investment. There are a substantial number of questions on our CSR. So, we spent about Rs.59 Crores last year, and you will find a lot of details in our annual report and our CSR focus areas are primarily education, healthcare, and environment and we have made a substantial amount of investment over the last few years in making sure that our CSR is both relevant and makes material difference to the lives of the hundreds and thousands of people to whom our CSR touches. In terms of our distribution, we continuously invest in distribution, and it is both in the form of physical and digital distribution.

Besides the 1,700 branches, we also have the ability to deliver credit to over 160,000 retailer touch points. One of the unique things that our business is that we reach out to customers, the customers do not have to reach out to us. So, if a customer wants credit, we make sure that the credit is delivered to the customer, where the customer is most happy and where it is most appropriate, whether it is a point of sale, or whether it is a customer's workplace or customer's residence. The customers do not have to visit our branch to assess credit. So, for us, a branch is really a point where our employees gather from which we conduct business.

Today, in the digital world, again, and many of you spoke about the value that an online meeting like this brings, that you are able to attend this meeting and it is similar that whether a customer is in a small town or whether he is in a metro market, we reach out to the customer and deliver credit where it is most appropriate. So that has been a thought process as a Company, and we continue to invest in that. In terms of AI, if you look at our Q4 results, which are available on annual report. We had spoken extensively about use cases of AI. Happy to point in that direction. A lot of projects are in progress. Some projects have already gone live, whether they are going through all the customer information that we are collecting on a daily basis, or they are building scorecards for understanding how to service our customers better. One of the large projects that we have deployed is on collections where we are deploying bots to make sure that we are making the most appropriate intervention in our collection journey.

I think there is a question about our borrowing resolution. We are a Company registered under the Companies Act and if we borrow more than one time our net worth, we are required to get shareholder approval and so we make sure that we have adequate approval from our shareholders so that we can conduct business on an ongoing basis. There were some questions around our digital channels and so currently, we have an app, HDB On The Go. In fact, I would request all of you to download it. There is a guest user journey that you can do. So far, we have had 14.1 million downloads of our app. What enables us to do is to engage with our customers meaningfully on an ongoing basis. So, this is besides servicing, we are also able to understand what is the next best product that the customer would like to buy from us, and how do we effectively deliver credit.

In terms of our service delivery, we are comfortable if a customer wants to undertake a physical journey with us, which is he would like to submit an application form with documents. We are also comfortable if the customer wants to go through a complete digital journey. Given that we serve as Aspirational India and through the length and breadth of the country, our experience has been that customers preferred a journey which suits them from that point of time. So, what do we call omni channel journeys. So, a customer made an application online but then contacts the Company or we get in touch with the Company to complete the rest of the journey physically. Or the customer's initial application journey is done physically, but then the customer's loan acceptance and disbursement journey is done digitally right. So, what we are saying is, let the customer decide what is the best option for him or her and accordingly, we will make sure that we have a suitable journey for the customer.

There are some specific questions around our diversity, and I am happy to inform you that as a Company, we believe in meritocracy, believe in diversity, inclusion, respect, and empathy. So, 23% of our employees are women employees. We have special training programs for, and a special program called Women in Leadership, which focuses on making sure that over a period, a lot more women employees represent the senior management of the Company. As a Company, our management and senior management team has been fairly stable and we have presence, as I said, all over the country and we have people from diverse backgrounds, diverse educational backgrounds and diverse thought processes, all of which we believe adds value to our Company's ability to deal with the diverse customer base that we work with.

As I said in my opening speech, India is a heterogeneous market and that heterogeneous market requires us to build capabilities to deliver credit at scale to a heterogeneous market. So, there is a question on upper layer NBFC. So, I think in 2022, RBI came up with a framework called scale based regulations under which they classified NBFCs as middle layer, upper layer and base layer and they used primarily criteria of size to determine primary criteria, the other criteria as well to determine which NBFCs are upper layer NBFC and given that we already had a balance sheet size of over Rs.50,000 Crores, we were designated as an upper layer NBFC. We continue to be an upper layer NBFC, even as per the definition that came up yesterday, which talks about all NBFCs with a balance sheet AUM of Rs.1 lakh Crores and above. So, we continue to be designated as upper layer NBFC, which comes with certain responsibilities and as management, I would like to assure you that we are fully cognizance.

There are quite a few comments about our stock price and let me assure you first that as management, we are completely aligned on value creation for our shareholders and we believe that with a consistent performance with investments in products, distribution, in our people, and technology, we will be able to capture the opportunity that India presents as a country. Our whole business has been predicated on expanding our distribution, expanding our product suite, and making sure that we are available to the customer as and when they have a requirement in their lifecycle and that is something that whether it is a digital infrastructure or other people or our capabilities, we will continue to invest in them so that we are able to attain and deliver as much value as possible that India represents. Thank you.

Mr. Natarajan Srinivasan

Thank you, Mr. Ramesh, for the comprehensive response. Before I conclude the 19th Annual General Meeting, I would like to remind the Members that the e-voting facility at this Meeting will remain open for a further period of 15 minutes. I request those shareholders who have not yet cast their votes through remote e-voting to kindly do so before the voting window closes.

The Board of Directors has appointed Mr. Mitesh Shah, Practicing Company Secretary, as the Scrutiniser to oversee and supervise the e-voting process. The results of the e-voting along with the Scrutinizers Report, will be declared within two working days from the conclusion of this AGM and will be intimated to the Stock Exchanges as well as made available on the website of the Company and NSDL. The proceedings of the Annual General Meeting will also be made available on the Company's website.

I sincerely thank all the shareholders for their participation and continued support. With your permission, I now declare the proceedings of the 19th Annual General Meeting of the Company as concluded.

On behalf of the Board of Directors and the Management, I wish all our shareholders and their families good health, happiness and prosperity.

Thank you and have a pleasant day.

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