

**TRANSCRIPT OF PROCEEDINGS OF THE 23<sup>RD</sup> ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF HDFC LIFE INSURANCE COMPANY LIMITED (“THE COMPANY/HDFC LIFE”) HELD ON FRIDAY, JULY 21, 2023 AT 3:00 P.M. (IST) THROUGH VIDEO-CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”)**

Welcome address by Mr. Deepak S. Parekh, Non-Executive Chairman.

Dear Shareholders, good afternoon. It's 3:00 PM. I hope you and your family are safe and in good health. I, Deepak Parekh, on behalf of the Board of Directors (“Board”) of HDFC Life, and on my own behalf, welcome you all to the 23<sup>rd</sup> Annual General meeting of your company conducted through two way video-conference facility.

I've been informed that the requisite quorum is present and I accordingly call this meeting to order. We have a full attendance of the Board at this AGM. I thank all the Directors for joining, the representatives of the joint statutory auditors, representative of secretarial auditor and scrutinizer for supervising e-voting have also joined this meeting. Members of the senior management are also participating in this meeting through VC. Thank you all.

I would like to welcome and thank all the shareholders and other participants who have joined this meeting. The Company has made necessary arrangements to ensure participation of members at this meeting through VC and to enable them to vote on the resolution set forth in the AGM notice electronically. Since there is no physical presence of shareholders, the requirement for appointment of proxies is not available. Hence, the Company has not provided proxy forms and has not maintained the proxy register. The other applicable registers, returns and statutory documents are available for its inspection on the E-Voting module made available by the E voting service provider KFin Technologies Pvt. Ltd. (“KFin”).

I will now proceed with the agenda for the meeting in accordance with the Circular issued by the Ministry of Corporate Affairs and SEBI. The annual report and notice convening this AGM was sent through e-mail to the members whose e-mail addresses were registered with their Depository Participants (“DPs”)/ Registrar and Transfer Agent i.e. KFin Technologies Limited (“KFintech”), as applicable, upto the cut-off date i.e. June 23, 2023.

The notice and annual report are also available on our website. The Company had taken adequate steps and efforts to enable members to participate and vote on items being considered at this meeting. The Joint Statutory Auditors and Secretary Auditor have expressed their unqualified opinion in their in their respective audit reports for the financial year 2022-23 and since there were no qualifications/ observations, the said reports are not required to be read at this meeting.

Let me now take you through some of the key achievements of the company during the last financial year.

### **START OF CHAIRMAN'S SPEECH**

The financial year 2022-23 presented significant challenges for the global economy. It witnessed various unexpected events including a slowdown in growth, tighter financial conditions across most regions. In response to rising inflation, many central banks raised policy rates. However, India displayed remarkable resilience amongst these challenges. Economic activity remains strong, as evident from positive indicators such as credit growth, GST receipts, E-Way bills, rail freight traffic and air passenger traffic, among others. Overall, the Indian economy is poised to maintain its status as one of the world's fastest growing emerging economies in the foreseeable future. Life insurance industry in 2022-23, as we recovered from the aftermath of COVID, the insurance regulator embarked on a path to increase penetration and achieve the vision of insurance for all by 2047. In the year 2022-23, the life insurance industry witnessed a growth of 18% and collected new business premiums amounting to 3.7 lakh crore compared to 3.1 lakh crore in the previous fiscal year. Private insurers experienced 24% growth in individual business and 17% growth in Group business.

The market share of private insurers in individual business increased by 288 basis points compared to the previous fiscal year. The growth in the market share of private insurers in individual business can be attributed to the development of various distribution channels and product innovations, with the particular focus on non-par savings and deferred annuity segments. Over the years, the market share of private insurers in individual business has risen from 38% in the fiscal year 2012-13 to 66% in the fiscal year 2022-23.

Your company recorded 27% growth year on year based on individual weighted received premium with a market share of 16.5% and 10.8% in the private and overall sector respectively, thus ranking among the top three players in the industry. Our AUM stood at Rs. 2.4 lakh crores. Our embedded value stood at Rs. 395.27 billion as on March 31, 2023, with an operating return on embedded value of 19.7% for the year. Our solvency ratio was healthy at 203% as on March 31, 2023. Our new business margin for the year was 27.6, thereby delivering value of new business of Rs. 36.74 billion at the growth of 37%. We deepened customer outreach by covering 68.5 million lives in 2022-23, with our 13 months persistency standing at 87%. Individual claims ratio was a 99.3%, a testament of our objective to provide financial protection to society and our commitment to customers. Our pension subsidiary, HDFC Pension Management Company Limited, doubled its assets under management in 18 months, exceeding Rs. 50 million as of March 31, 2023. It is the largest and fastest growing Pension Fund Manager under both retail and corporate NPS AUM segments. Our market share in the private space has increased from 36.9% to 41.2% over the last year with 60% growth in AUM. HDFC International Life and re Company Limited has received the final approval for the concerned regulatory authority enabling us to establish a branch in GIFT City. We are excited about the new opportunities it presents us to serve the needs of global Indians.

## **Opportunities**

The growth potential of the Indian life insurance sector remains intact despite the headwinds observed over the last year. Factors such as low insurance coverage, favorable demographics, increasing life expectancy, and growing consumer awareness regarding financial protection bodies is good for the industry. Moreover, longer life expectancy also signifies a greater need for retirement planning, making the retirement space a substantial opportunity in India alongside the life insurance business.

On the recent tax amendment front, we believe that with the experience we have gained during the years of tumults business cycles, our product innovation capability and our diversified distribution franchise, we can continue to deliver sustained growth as well as sustained profitability. Furthermore, the life insurance sector provides a distinctive long term guaranteed savings product proposition that remains superior even after the tax changes. Protection and annuity continue to remain areas that are exclusive to life insurance. Our objective is to capitalize on these opportunities by introducing innovative products, expanding

our presence through a diverse distribution network and transforming our business and technology models to deliver best in class experience to our customers. The acquisition of Exide Life Insurance Company Limited (“Exide Life”), the first M&A transaction in the life insurance industry was completed on October 14, 2022, post receipt of the final approval from IRDAI. This entire transaction from announcement in September 2021, followed by the acquisition in January 2022, and the eventual merger was completed in less than 14 months. Our post-merger integration with Exide Life and synergy realization from the combined businesses progressing well resulting in achieving of margin neutrality ahead of the planned timeline. Further, the newly added distribution partners now have access to HDFC Life’s products and digital capabilities, thus adding impetus to our growth.

Also, pursuant to the recent amalgamation of HDFC Limited, with and into HDFC Bank, HDFC Bank has become the promoter and the holding company of HDFC Life. We should expect deeper engagement within the group entities leading to greater cross-sell opportunities and long term value creation for all stakeholders.

IRDAI issued several regulatory notifications applicable to life insurers during 2022-23 with an objective to create a supportive and a forward-looking regulatory architecture to foster a conducive environment leading to wider choice, accessibility and affordability to policyholders. IRDAI is proposing several changes that would enhance insurance penetration, facilitate sustainable growth and ease the operating environment. There are several draft regulations under discussions like the conceptualization of online marketplace – Bima sugam, launch of Bima vistar and initiative aimed at increasing penetration in rural areas through Bima vahaks. Further, granting of composite licenses, enabling distribution of financial products, enabling of distributing other financial products by insurers, allowing insurers to step up to set up an Insure Tech subsidiary are also being deliberated by the Government of India to boost stakeholder confidence in the Indian insurance space. The regulator has already introduced use and file regime for faster product launches and revise the expenses of management and commission guidelines to provide greater flexibility to companies to manage the cost structures. These regulations would increase ease of doing business, encourage development of longer term products, improve persistency, thereby creating value for our customers.

**END OF CHAIRMAN’S SPEECH**

In conclusion, I would like to express my gratitude to our valued customers for placing their trust in us. Additionally, I extend my thanks to our dedicated employees whose unwavering commitment has been instrumental in our success. I also want to acknowledge the support of our shareholders and the empowerment provided by IRDAI to the industry. I would also like to thank our Board of Directors for their continuing support and for the collective support of all our stakeholders. I firmly believe that we as a nation, we as an industry and we as a company will overcome any uncertainties and image emerge even stronger. So before we proceed further you would have read the notice of the AGM as well and must be aware of the business to be transacted at this meeting. So before we proceed further, I wish to bring to your notice that in terms of the provisions of the Companies Act, 2013, and SEBI Listing Regulations the Company has provided to its members remote e-voting facility to enable them to vote electronically on all the resolutions set out in the AGM notice, members as on the cut-off date who have not cast their votes earlier through remote e-voting and are participating in this meeting can cast their votes through e-voting module made available by Kfintech after the conclusion of the Q&A session. Thank you.

Now, I would like to invite speaker shareholders who have registered themselves to speak and ask questions. I request the speakers to be brief and restrict your questions relating to matter set forth in the AGM Notice, annual accounts and operations of your company. All the questions will be answered by at the end by our MD&CEO, Ms. Vibha Padalkar.

In relation to the resolutions included in the AGM notice, I would like to bring to your attention to Resolution no. 9, which deals with approval for related party transactions with Housing Development Finance Corporation Limited (“HDFC Limited”). Now, that HDFC Limited is merged with the HDFC Bank Limited, approval for that resolution would be read as though it is being provided for the said transaction as we were entering into such transactions or continuing them with HDFC Bank. Pursuant to Resolution no. 6 w.r.t. appointment and remuneration of "Executive Director and Chief Financial Officer, we welcome Mr. Niraj Shah on the Board of HDFC life. Further, Resolution no. 7 and 8 which deals with remuneration of Ms. Vibha Padalkar and Mr Suresh Badami, Whole-time Directors, IRDAI has come out with new guidelines on remuneration of Non-executive Directors & KMPs on June 30, 2023. Please note that the Nomination & Remuneration Committee (“NRC”) would need to make the necessary modifications to ensure compliance with the new regulations.

## QUESTION AND ANSWER SESSION BEGINS

**Chairman:** I now request the moderator to please go ahead with the Q&A session. Thank you.

Names of the speaker shareholders have been called out by the Chairman/ Moderator seriatim:

### **1) Ms. Ashalata Maheshwari** (*Spoke in regional language*)

**Chairman:** Thank you Ashalata Ji.

**Moderator:-** I request our next speaker Ms Celestine Mascarenhas. We request you to kindly unmute your audio switch on your webcam and proceed with your question. I request Ms Mascarenhas, to kindly unmute your audio switch on your webcam and proceed with your question.

*---No feedback received---*

I request our next speaker, Mr. Gautam Tiwari, to unmute your audio switch on your webcam and proceed with your question.

### **2) Mr. Gautam Tiwari:-**

*Congratulated entire management team for all the awards and accolades received during FY23 for good corporate governance practices.*

*I just wanted to know the about post merger of Exide Life into our HDFC Life –*

*What benefits had company derived from its acquisition?*

*What is the growth outlook for in your eyes in your mind for the company for this year and the next?*

*How many products does the company have as on March 31, 2023?*

*What steps are taken by our company to improve its visibility in the market as many competitors are around us?*

*What is the ratio of HDFC protection to HDFC Group? What is our attrition rate now and what is company's budget for CSR activities during the current year?*

**Moderator:-** Thank you, Mr. Tiwari. I request our next speaker, Ms Celestine Mascarenhas, to kindly unmute your audio switch on your webcam and proceed with your question.

### **3) Ms Celestine Mascarenhas:-**

*Thanked Mr. Narendra Gangan and his team for sending annual report and also registering as a speaker at my request. Appreciated drafting of annual report stating that the same is exhaustive, very good, very knowledgeable, self-explanatory, adhering to all the norms of the corporate government governance. Even our working is far excellence.*

*Has the Company applied for ESG rating? If rated, what is the rating score? If the score is very good, is the Company planning to list on any ESG platform in future to get more, international investors?*

*How many policies were added in this quarter? which is the most popular life policy and the average age of that policy holder because the one which is very popular term policies, are they very popular? T*

*Does the Company use AI MI or blockchain in our life insurance operations?*

*What is the shareholder value in subsidiaries HDFC Pension and HDFC International? Any thoughts for thought for listing it as a company?*

*How much of Company's business is affected due to tax exemptions which IRDAI as removed for policies above 5,00,000?*

*Further, she mentioned that she supports all the resolutions and handed over the mic to Mr. Mascarenhas.*

### **Mr. Aloysius Peter Mascarenhas:-**

*How much has the Company benefited by the acquisition with HDFC Life?*

*ICICI Lombard and LIC and all, who are other company and what is HDFC Life's market share.*

*Further, wished luck all the board members and the employees for the days and years to come.*

### **Moderator:-**

I now request our next speaker Mr. Aspi Basania to kindly unmute your audio, switch on your webcam and proceed with your question.

*---No feedback received---*

I request our next speaker Mr. Rajesh chanani, to kindly unmute your audio switch on your webcam and proceed with your question.

**4) Mr. Rajesh Chanani:-**

*Thanked the secretarial department for sending me the annual report notice well on time,  
Appreciated the CSR activities carried by the Company mentioned in the report.  
Enquired on the plans to increase in shareholding since SEBI has permitted FII holding upto 75%.*

**Moderator:-**

I now request our next speaker Mr. Tamal Kumar Majumdar, to kindly unmute your audio, switch on your webcam and proceed with your question.

**5) Mr. Tamal Kumar Majumdar:-**

*Thanked the Secretarial team for maintaining cordial relationship with shareholders.  
Appreciated the disclosures in the Annual Report and thanked Chairman for sharing his thoughts.  
Whether the company expects any further claim or claims relating to Exide Life in the coming years and what is the contribution of Exide Life insurance to Company's earnings and profitability during the financial year.  
Will Exide Life contribute significantly in the coming years and how company did during Q1 FY'24?  
Whether our company absorbed all employees of the Exide Life company during last year?  
Whether our company restructured branch offices of the Exide Life Insurance according to our requirement and also marched accordingly.  
Whether the trend of increasing new business margin continue during Q1 FY'24 24 and the remaining part of the current year?  
Views of the management for the huge claims rejection mentioned in the Annual Report  
What is the total amount of provision made against ILFS as on 31st March 2023?  
Do we expect that our company will be able to recover entire provision made earlier from ILFS during the coming months.  
What is your expectation from 13 month and 37 month persistence in ratio during Q1 of financial year 24?  
What steps the management has taken to decrease the ratio of female turnover against male turnover?  
Does the count of newly products mentioned in the Annual Report also include the products launched by Exide Life?*



*Does the number of sexual harassment cases mentioned in the Annual Report also include the complaints from our subsidiaries?*

*Please share your thoughts on the dependency on HDFC Bank for majority share of business*

*How is the unit of HDFC International doing during the current year and what will be its impact on our profitability.*

**Chairman:-** Thank you, Tamal.

**Moderator:-** Thank you Mr. Tamal. I request our next speaker, Mr. Aspi Besania.

We request you to kindly unmute your audio switch on your webcam and proceed with your question.

**6) Mr. Aspi Besania:-**

*Enquired on the ranking of the Company within group new business segment in private sector*

**Chairman:-** We can't hear you.

**Moderator:-** Mr. Aspi, we are not getting any audio output. Mr. Aspi, we are not able to hear you. We'll move on to our next speaker.

I request, Mr. Yusuf Rangwala, to kindly unmute your audio switch on your webcam and proceed with your question. No feedback received.

*---No feedback received---*

I request, Mr. Shailesh Mahadevia, to kindly unmute your audio. switch on your webcam and proceed with your question.

**7) Mr. Shailesh Mahadevia:-**

*Congratulated the Company and the Board for excellent result. Appreciated the Secretarial team for the cooperation and support.*

*Whether the company has made any submission to the regulatory authorities regarding Company's expectations from the latest modifications proposed.*

*Enquired on the GST payment default and the error which may have committed.  
Details of economic impact of the CSR work carried by the Company?  
What steps are taken to minimize attrition rate of the company?*

**Chairman:-** Thank you.

**Moderator:-** Thank you, Sir. I request our next speaker, Mr. Hiranand Kotwani, to kindly unmute your audio switch on your web cam and proceed with your question.

**8) Mr. Hiranand Kotwani:-**

*Enquired on the international expansion of business and investments.*

**Moderator:-** Thank you Sir. I request our next speaker Mr. Dharav Jamadar, to kindly unmute your audio switch on your webcam and proceed with your question.

**9) Mr. Dharav Jamadar:-**

*Congratulated each and every stakeholder of company on performing tremendously well in this particular financial year.*

*Steps taken by the Company to curb the loss in business, particularly due to change in the traditional savings tax exemption limit that that was made by our government in this particular fiscal year.*

*What major steps has my company taken in order to improve the persistency ratio?*

*What is the use and file regime that is introduced by the regulator and how shall it enhance our company to grow further?*

*What are the major headwinds that can dent our net premium income apart from higher inflation, higher interest rate or even lower monsoon?*

*What is Company's outlook on faster than industry growth rate Company has been experiencing in this financial year in VNB for the current year.*

*What are the possible steps that can be taken to improve the ROI and take it to the pre COVID levels and stop it declining further?*

*Is there any vision or dream that Chariman has for this company that is yet to be achieved.*

**Chairman:-** Thank you, Mr. Dharav.

**Moderator:-** Thank you Sir. I request our next speaker Ms Lekha Satish Shah, to kindly unmute your audio switch on your webcam and proceed with your question.

**10) Ms Lekha Satish Shah:-**

*Congratulated the Company for receiving awards and recognition during the year.*

*In the current year how many new insurance products launched?*

*How many individuals leave covered through policy and claims statement ratio in the current year? Any plans to open new branches where Company does not have any presence.*

**Chairman:-** Thank you.

**Moderator:-** Thank you Ma'am. I request our next speaker Mr. Jayaprakash Agarwal, to kindly unmute your audio switch on your webcam and proceed with your question.

*---No feedback received---*

I request our next speaker Mr. Hasmukh Vora, to kindly unmute your audio switch on your webcam and proceed with your question.

**11) Mr. Hasmukh Vora:-**

*Thanked the Secretarial team for the cooperation and support.*

*What is the percentage of life insurance business enjoyed by the company and by LIC as on March 31, 2022 and March 31, 2023?*

**Moderator:-** Mr. Vora, we are not able to hear you.

*---No feedback received---*

I request our next speaker Ms. Prakashini G Shenoy, to kindly unmute your audio switch on your webcam and proceed with your question.

**12) Ms. Prakashini G Shenoy:-**

*Appreciated the drafting of annual report. Thanked the Company Secretarial team for the support.*

*Are there are new amendments in the insurance bill. What do we think whether it is beneficial for the insurance companies? How do we be benefited from these changes?*

*Does the company check net promoters score? where does the company rank in NPS?*

*Wished Good luck for the bright future of the Company.*

**Chairman:-** Thank you, Ms Shenoy.

**Moderator:-** Thank you Ma'am, I request our next speaker Mr. Manoj Kumar Gupta Manoj Kumar Gupta, to kindly unmute your audio switch on your webcam and proceed with your question.

**13) Mr. Manoj Kumar Gupta:-**

*Appreciated the excellent result of the Company for the year 2022-2023.*

*Any plan to split the shares by the 2:1 or 5:1 to increase the liquidity and the market capitalization?*

*What's the plan for premium defaulters?*

*How many number of complaints you have received during the year for the non claim or not getting response?*

*Suggested to take strict action for sexual harassment cases.*

**Chairman:-** Thank you, Manoj.

**Moderator:-** Thank you, Mr. Manoj. I request our next speaker, Mr. Yusuf Rangwala, to kindly unmute your audio switch on your webcam and proceed with your question.

**14) Mr. Yusuf Rangwala:-** *(Spoke in vernacular language)*

**Moderator:-** Thank you Mr. Yusuf. I, request our next speaker, Mr. Dinesh Bhatia, to kindly unmute your audio switch on your webcam and proceed with your question.

**15) Mr. Dinesh Bhatia:-**

*Does the Company have any plan to split the shares by the 2:1 or 5:1 to increase the liquidity and the market capitalization.*

**Moderator:- Mr. Bhatia,** we request you to kindly proceed with your question

**Chairman:-** Mr. Bhatia.

**Moderator:-** Sir, no feedback received. I request our next speaker, Mr. Kirti Shah to kindly unmute your audio switch on your webcam and proceed with your question.

**--No feedback received--**

I request our next speaker, Mr. Kaushik Shahukar, to kindly unmute your audio switch on your webcam and proceed with your question.

**16) Mr. Kaushik Shahukar:-**

*Why the majority of life insurance policy only provide benefit to the policyholder after their death, we prioritize living in the present and leave the future to supreme power?  
Assistance in supporting individuals including myself, to consider my credentials which I am resending here with as differently abled person to form part of company's CSR activity.*

**Chairman:-** Thank you.

**Moderator:-** Thank you. Mr. Kaushik. I request our next speaker, Mr. Ravi Kumar Naradi, to kindly unmute your audio switch on your webcam and proceed with your question.

**17) Mr. Ravi Kumar Naredi:-**

*Greeted Chairman, Board of directors and fellow shareholders.*

*Has the Company got approval to set up a branch in Gift City? What business would be done from the Gift City?*

*Since the 61 month persistency reduced due to merger with Excite Life, So what is our plan to improve this persistency and when we will get the improvement?*

*If the Company invests 100 crore every year in FY 2024-2025, where will it invest and what purpose it will serve? And will this investment have any impact on profit and loss account?*

*Since the Company is subsidiary of HDFC Bank and bank is aggressive to open more branches. So how it help Company and will it still open branches other than HDFC bank.*

**Moderator:-** Thank you Mr. Ravi Kumar. I request Mr. Hasmukh Vora, to kindly unmute your audio switch on your webcam and proceed with your question.

**18) Mr. Hasmukh Vora:-**

*The percentage of the life insurance business enjoyed by our company and by LIC. As on 31st March 2022 and 2023*

*On Page 494, there is reduction in the results of 48.375 billion in the results. So what is the reason for this reduction?*

*Information on increase of Promoter holding in the Company.*

**Chairman:-** Thank you, Mr. Vora.

**Moderator:-** Thank you, Mr. Vora. So with this, we complete the Q&A session. Back to you, Chairman Sir, thank you.

The Chairman then answered most of the questions asked by the shareholders.

*The Chairman said..*

**Chairman:-** I'll just take a few, make some general points and then hand it over to our CEO, Ms. Vibha Padalkar to answer the detailed questions.

Ms. Asha Lata Maheshwari asked about a large acquisition, I would like to inform that the Board is always looking out for acquisitions and whenever we get an opportunity, and the right price, I'm sure the Board will consider. But we don't have anything on the cards at the moment and first of all, I should also say that practically each and every of the 18 odd shareholders who spoke highly of the cooperation extended to them by our secretarial team, Mr. Narendra Gangan and Mr. Nagesh Pai in particular and Mr. Prasad. So, I would also on behalf of our Board, thank the secretarial team and please continue to support and help our shareholders. Again on CSR, many of the shareholders were satisfied about the CSR work that our company is doing. We also spend larger amount to do impact assessment to understand the impact of our CSR work to various families since many of you asked for the same. We have also received CSR awards particularly on good governance. Shareholders also appreciated the CSR work. Thank you for noticing that. Again, we probably discussed it in the board meeting, we probably disclosed more than any other insurance companies and we want to keep disclosing more and more. We have nothing to hide from our shareholders. So we are happy to disclose whatever is possible the shareholding, the market share we have. If you take only the private insurance companies and keep LIC out of it, then the market share of HDFC Life is 16.5%. Well if you take LIC into the picture it is 10.8%

Now, most of the shareholders were happy with the video-conference facilities and with KFinTech and the arrangements provided. But some shareholders wanted to meet physically. So you know we'll see if the Ministry of Corporate Affairs and SEBI permits us to do. The virtual meetings are better because there are shareholders from other cities like Mr Manoj Gupta and Mr Tamal Kumar who can also attend the said meeting.

Tamal, I wanted to mention that you had too many questions. I understand your concern rather about Exide Life employees. They are from West Bengal, headquartered in Kolkata. But we have not asked any employees to leave. Some of the employees have been taken away or laid off by new insurance companies which are started. So we had no choice. We have lost a few people, but no one has been asked to leave. And since you have many questions and you are an analyst, it's better you write your questions and give it to us. So we could answer it earlier. Our vision is to grow, to become one of the most respectful companies in India, to be one of the largest companies to provide proper disclosures, to have good governance, to be recognized for the good governance and improve persistency. The management is constantly added to improve both the 13 and the 61 month persistency. It is not required to wait for specific proposal from

IRDAI to improvise ease of doing business. IRDAI is very cooperative and we are constantly in touch with the regulators. The management team is constantly in Hyderabad meeting with the regulators and the regulators are also very proactively consulting the insurance companies. So there's a very healthy and fruitful relationship between the regulator and the Company.

The results have been good. You have supported all the resolutions. I don't think, Manoj, we have any split on the cards at the moment. I agree we've got some posh cases and we will go into it and we will also examine why so many cases are happening. We normally have external people on the committee, not just our employees. You know, Kaushik wanted some work. I think Vibha and our colleagues have heard you if there is any certification work with the chartered accountant can do, and if any work can be given, I'm sure they will consider it. But it's not possible for us to give momentos to shareholders who attend the AGM. Gift City, yes, we plan to open our office in Gift City at the end of this month and we can sell insurance policies to NRI Indians and many other things we can do with a Gift city operation. I will now thank the shareholders for the interest shown and I will ask Ms Vibha to complete the rest of the technical questions. One other point I wanted to mention on employees, the total number of shareholders are 9,26,138 and the total number of employees are 32,034 and percentage of women employees is 26.5%. Now, I request Ms Vibha Padalkar, Managing Director & CEO to answer some of the other questions.

***Managing Director & CEO said..***

Thank you, Chairman! Good evening, shareholders. I'll go in the same sequence as the questions were asked. Ms Ashalata Maheshwariji. The first question was answered by the Chairman about acquiring any life insurer. So the second question was impact of budget changes on company. We do believe that the impact that we have seen on the higher ticket sizes of the business should be range bound. There are many things that we offer as a life insurer. The value proposition is quite extensive. We give long term guaranteed products. No other competing product can give this kind of assurance. On a tax adjusted basis, life insurance remains one of the most attractive products. Also there's an additional death cover of 10 times to 12 times the first year premium. Also there are a lot of innovations that we have launched innovative products on pension and that is likely to also emerge as a very attractive category. In fact, Sar Utha Ke Jiyo is very much in our mind. We already have the building blocks in place for a strong and diversified distribution and now with a greater alignment with HDFC Bank with



them being a parent. Post the change in ownership, we expect to see some of the impact of the tax changes to be negated and Q1 has been strong as you will see our results today.

Our second speaker Mr. Gautam Tiwari, post merger of Exide Life Insurance, our agency share has gone up very meaningfully. It used to be about 14% of our business, new business and now it is 20% in FY23. Also there is complementary geographical presence especially in Southern India where we are likely to catapult to leadership position. Also extensive presence in Tier 2 and 3 locations and that was one of the reasons why we looked at Exide Life, what is the growth outlook for FY24 and FY25. So despite some moderation due to the tax changes, India still the sector remains fast moving as well as India remains one of the oasis amongst a lot of uncertainty in the world. We expect life insurance to grow faster than the GDP growth and we at HDFC Life will in turn target to grow faster than the life insurance sector. We also measure ourselves both in terms of absolute our own performance as well as on a relative basis and we are happy to share that on a three-year and five year CAGR, we have done better consistently versus the private sector and the overall industry. Our endeavor is to continue with this kind of performance in the years to come. The next question was on how many products we had. As of end of 2023, we had more than 60 products. This is both including individual and group products as well as optional riders in our portfolio. And we are proud to say that every need of the customer in the space of life insurance and pension, we have products that would be suitable. What are the steps taken to improve visibility in the market? We have taken many steps viz., relatable conversations around life insurance to drive awareness and we also tailor make it to the need of the hour. For example, in order to connect with Indian women, we launched a Mothers' Day campaign. The film celebrated the strength and resilience of mothers who enable us to live Sar uthake. We also wanted to bring awareness around India's mortality protection gap. It is still very high at 83% and so we focused on the concept of term insurance. Our protection campaign aimed to highlight the importance of a term plan and how one can help secure financial future in case there is an untoward event. This particular ad film depicted the story of a real life survivor who overcame an illness. We also launched our annuity campaign. Further, we also launched our brand campaign focused on the story of a young bright student who is empowered to continue her journey with pride, with emotional and financial support from her father. All these campaigns have increased our visibility and this is across platform, whether platforms with the TV, digital and so on. There was a question on our attrition rate. Approx. 38% is our voluntary attrition rate for last year on CSR expense. Chairman has adequately covered that point. The next question from Mr. and Mrs. Mascarenas on ESG as

well, Chairman has covered that point. Just specifically on some of the rating questions, HDFC life scored 49. This is in the 2022 S&P Global Corporate Sustainable Sustainability Assessment. This reflected an improvement of 35 points over the last three years. We have maintained also our rating at Triple B. This is in the MSCI, ESG ratings and we received a rating of 20 and were assessed by sustained analytics. This is to be at a medium risk and we will continue to work on improving our scores in the ESG arena. What were the number of policies in the quarter? We sold about 2.06 lakh policies. This is in Q1 FY'23 against 1.90 lakh. This is a 9% growth year on year. What is the most popular life policy and average age. So Sanjay plus this is a non powered product. This has been a flagship and blockbuster product and continues to remain the most popular life insurance policy across the sector. As of for FY23, Average age of our customer was 35-36. Details of this have been given in our investor presentation. How do you approach our existing customers? How can we do propensity modeling? We have a data labs in Bangalore and a lot of this technology is developed in house that is bespoke for our sector. We also have newer machine learning models. This is for alternative ways of underwriting, how we are able to collect more premiums to get better our persistency as well as pay every claim that needs to be paid. There was a question on our subsidiaries. We have two companies, HDFC Pension and HDFC International. Our pension company has been the largest and fastest growing under the NPS architecture and over 15,00,000 customers with an assets and the management crossing 45,000 crore as of 31<sup>st</sup> of March. And this is a very robust growth of 60% that our pension subsidiary achieved last year. However, the opportunity is huge and this is just the tip of the iceberg. I have covered benefits of acquiring Exide Life, that has also been covered HDFC live market share and Chairman also covered the question on shareholding. The question of HDFC Bank is at 50.33%, is there a plan to increase it further? So we're happy that the merger is now complete. Now the holding by HDFC Bank is 50.40% in our company and the focus now is how we can collaborate more closely as a group to be able to give very products that are very meaningful as well as in better our servicing to the customer like SBI Life. However, in terms of our endeavor to increase our market share, this has increased steadily over the past few years. In FY 2019, our market share was 12.5% and that has gone up to 16.5% as mentioned by Chairman in FY23. This is in the private sector and at an overall level from 7.2 to 10.8%. So hopefully we will continue to rank right up there. Tamal da had many questions and I'll answer some of them. Outlook for FY 24, Just to summarize, we will, we are aspiring to grow faster than the industry and industry in turn hopefully will grow faster than GDP growth and will continue to be holistic in terms of both top line, bottom line as well as quality of business. Have we absorbed all employees? This was answered by Chairman. The upward trend in new

business margin, yes, this will continue against a difficult time horizon as was predicted due to the tax changes. Nevertheless, we will continue to achieve margin neutrality despite all the upheaval that the industry is going through as we learn to sell new products, as we learn to sell a lot more of protection. So our value of new business increased by 37% to 3674 crores. This is on the back of consistent growth and good product mix. Our quarter one claims ratio, overall claim settlement ratio was 99.6% at a company level and individual was 98.7%. Why is our unclaimed balance still high? It is largely because of lack of enough data. So we would appeal to policyholders to continue to update contact ability data because that is one of the biggest reason why on maturity or surrender of the policies we are unable to contact customers because it's been 10 years ago that they've bought their policies or even longer. That is one of the biggest obstacles that we have. However, we have significantly made inroads in terms of reducing this outstanding number provisions against INFS dues. The provision till date was 110 crores on 13<sup>th</sup> and 37<sup>th</sup> month persistency. What is the expectation? We continue to hold our numbers at 87% and 73%. This is despite having merged with Exide Life which had a lower level of persistency. Female turnover and male turnover in attrition what is management view. So the male turnover is about 38% and female about 45%. We continue to focus on employee diversity. A lot of inclusive employee friendly policies have been rolled out to ensure that especially middle management women employees that we absolutely value continue to stay in the organization and not drop out. Some of the new products that are expected this year, new launches in pension and ULIP and we have a pipeline. We are known as a product factory and we will continue to bring out products that make a lot of sense. Chairman, has addressed question on sexual harassment claims. One point I want to make there that out of the 14 claims, all the pending cases have been closed and necessary actions have been taken. We also have an external independent person as part of the committee views on decreasing dependence on HDFC Bank. So we have a multi channel distribution strategy and some of those channels have grown much faster than HDFC Bank growth. And naturally over a period of time the overall dependence on HDFC Bank has been steadily coming down. However, in the new after as a parent, we also look forward to a closer working relationship with a parent that is also our largest distributor. Views on the GST penalty, the demand was for Rs 942 crore in terms of the input tax credit that we have claimed. This is for the five years. This is an industry issue as you will appreciate. Our stance very clearly is that our contention raised is incorrect and we have adequate and requisite documentation and over the next few months, we will present all that documentation post consultation with our tax advisors and legal counsels and based on their advice as mentioned in our Stock Exchange announcement, we believe that we have a

good case to contest and we are in the process of filing an appeal. On the protection gap, What are our views, still very, very high in terms of the gap at 83% and it the India based on the kind of growth that we are seeing increase in disposable income, a lot more people are borrowing which was not the case maybe a decade ago. So all of that does require adequate levels of insurance and protection. So that it should continue to grow up and grow further. One data point, first quarter protection has grown by 45% in our retail segment. So we really see a lot of uptick in India becoming a protected society. Just one clarification, Unclaimed as mentioned is not Rs. 44,728 crore but it's only 447 Rs. crore and this has come down drastically from almost Rs. 600 crore to Rs. 447 crore. Mr. Bhesania did not have a question. Thank you for your comments though. Mr. Mahadevia, the regulatory changes, are we happy or any other expectations? The IRDAI has rolled out and is in the process of rolling out a lot of regulations as well as now in terms of draft insurance amendment bill. This is to increase the ease of doing business as well as increased penetration and we are in constant dialogue with our regulator as well as we chair a lot of committees so that we can do a lot of new things in order to with these objectives. The regulator continues to be very supportive and is open to suggestions and recommendations steps to reduce attrition rate. A few things that we are continuing to do and that's why we saw quite a sizable reduction in attrition last year. One is that for us to be able to hire the right talent, we have partnered with a lot of education institutions so that the course material is something relevant to our line of business. We also reinforce correct way of selling financial services products. Initially, the engagement in the early days, 0 to 90 days of onboarding that has been strengthened and continues to be because people typically leave an organization because of the immediate bosses and not for pay. So how do we get our frontline leaders to hand hold the newcomers so that they can settle into this industry especially if they are completely new to the sector. Also how do we ring fence our high performing frontline sales, a lot of workshops, a lot of connect sessions with senior leaders, experts from outside and a lot of structured performance management process that we continue to do and we are hoping that the level of attrition goes down, excite life integration that has been fully done and synergy extraction is now part of our BAU. Mr. Kotwani asked about market share of company chairman, talked about it. He also asked what happens if the policy was discontinued, what we will do here means we have dedicated team that looks at how do we connect with the customer how do we impress upon them not to discontinue and how its in their interest to continue paying their premiums, especially when there is an untoward event, If they are short of cash. Then we also give loans against the policies that have acquired some surrender value and many such initiatives both at our branches as well as asked by you across digital touch

points, how will we expand at an international level. We are perhaps the only one that has a subsidiary abroad. As was mentioned by Chairman, we are the first ones to set up operations in Gift City through our HDFC International Life and RE subsidiary. So early stages but hopefully next time we connect we should be able to show some traction for our NRI population through the Gift city. Mr. Jamadar talked about steps taken to curb loss of business is in the finance budget changes. I think I've adequately addressed that particular question. Also, if I were to look at the use and file regime, how does it benefit us. So until June 10, 2022, we had to 1<sup>st</sup> file and then start using the product or selling the product. Now with the use and file if this has made innovation a lot more possible faster to the market. So we thank our regulator for that. Some more products could be brought under use in file and that some that is in the works. What are the headwinds expected for the company? So there are many changes that keep happening. For example, the budget changes, there was the covid, there were macroeconomic changes and that's why we put out a slide in our investor presentation which showcases how across very significant headwinds that our industry and our company has faced, we have only come out stronger and grown faster than the sector and we have every confidence of doing that. Over the next few years, what are the steps taken to improve ROE? Over a period of time you will find profits emerging from the bank book. It takes at least 10 to 15 years once an insurance policy is sold, especially in the traditional space for profits to emerge because the policies are long term policies. In fact, again, we have included a slide in our investor presentation, this time explaining how profits emerge. And over a period of time, if we have persistency right and our expenses low, all of these profits should emerge to Indian Gap profits and hence ROE increase should steadily happen. Mrs. Lekha Shah talked about which are the new products launched. So we have 6 new products launched and all of them are doing reasonably well and number of retail lives covered. So over 10,00,000 individual retail lives have been covered and more than 6.8 crore lives under the group umbrella, so credit live for example. So we have very large close to 7,00,00,000 lives that have been covered our claim settlement ratio. I have answered, plans to open new branches. We have the process of opening up 75 new branches. This has already been approved by our regulator. Ms Prakashini Shenoy has talked about new amendments to Insurance Bill. This is being tabled hopefully in the Parliament. We have asked for ability to distribute other financial products including composite license for life insurance and so on. We'll have to see to what extent some of this pans out, but this will allow growth and innovation across use and file. I've talked about do we check NPS and how do we rank. So I've again mentioned that our subsidiary is doing very well. Do we plan BCP? HDFC Life has robust BCP plans. We conduct periodic drills and COVID has

been an excellent example. So, so far we have fared very well in a digital avatar. Mr. Manoj Kumar Gupta, future plan for company Chairman has answered this. What is the plan for premium defaulter? I have talked about persistency and how we collect. There was a question on COVID claim and how you know people who unfortunately passed away, so this is a period where we are able to settle claims seamlessly. Also complaints received by the company during the year. The complaints we have received were 3876 vs 3089 and as the effect of COVID-19 starts fading away. However, some of the complaints have increased. Some of them are also in terms of understanding of our product. I have answered the question on new advertisements planned as well. Mr. Kaushik Shahukar asked about why majority of life insurance policy provide benefit after death. We in fact have a lot of many, many products including the blockbuster Sanjay plus product that I talked about earlier that in fact looks at protection for financial savings and along with life protection all bundled together. Sometimes health is also attached in terms of riders. So a lot of products that we have during you know the life of an individual. So we cover mortality morbidity as well as longevity. So the entire life cycle of an individual whether a person passes away prematurely or is unwell or lives quite long. And so there's erosion of their corpus, retirement corpus, allocate funds, mementos and hold. As chairman has answered this Mr. Ravi Kumar Naredi, 61<sup>st</sup> month persistency reduce after merger and how do we improve it. We are very seized of that matter and we continue to engage policyholders well in advance and to explain to them that by paying one more the last premium, especially if it's a 5 pay a policy, then it's in the interest to continue paying it. Where are we investing Rs. 100 crore and impact on P&L account. We talked about a tech transformation program. This is over the life cycle over a few years because it is important for us to get our tech architecture and our cloud strategy right. How will being a subsidiary of HDFC Bank help? I think I've talked about that. There was on NPS, there was a question. The Net Promoter score, we look at this very, very closely. We have feedback loops to measure customer metrics like CSAT and NPS and the Net Promoter Score, we conduct a voice of customer to capture customer satisfaction or otherwise for every interaction that we have done with HDFC Life. So it helps us when customers give their feedback so that we can course correct. We have improved our score over the years. There is high focus and I'm very happy to share that the customer satisfaction score in FY 23 was 90.7%. With that we come to an end in terms of all the questions. If there any further questions, please reach out to our secretarial team. Thank you Sir, over to you.

**END OF Q&A SESSION**

**Chairman:-** Thank you, Ms. Vibha. As mentioned, those who have not cast their votes on the resolution set forth in the AGM notice may do so now as the e-voting platform is available for the next half an hour, E- voting will be declared and submitted to the stock exchanges within two working days from the conclude to this meeting.

I authorized Mr. Narendra Gangan, Company Secretary to receive and declare the voting results along with along with the scrutinizers report, intimate the same to stock exchanges and place the same on the website of the company. The resolutions as set forth in the notice shall be deemed to be passed today subject to receipt of requisite number of votes. With your permission, I call this meeting to an end and thank you for all for your support and cooperation. Please take care of yourself and be safe. Thank you. Disconnect.

As I mentioned earlier, those who have not cast their votes on the resolutions set forth in the notice, may do so now, as the e-voting platform is available for the next half-an hour. E-voting results will be declared and submitted to the stock exchanges within 2 working days from the conclusion of this meeting and disseminated on the Company's website [www.hdfclife.com](http://www.hdfclife.com) along with scrutinizer's report. I authorise Mr Narendra Gangan, Company Secretary, to receive and declare the voting results alongwith the scrutinizer's report, intimate the same to stock exchanges and place the same on the Company's website. Resolutions, as set forth in the notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

With your permission, I call this meeting to an end. *(Meeting concluded at 5.00 pm. (IST) [including time allowed for e-voting at the AGM]).*

Thank you all for your support and cooperation. Please take care of yourself, follow all covid protocols and be safe, till we meet again. Thank you.

\*\*\*\*\* END \*\*\*\*\*